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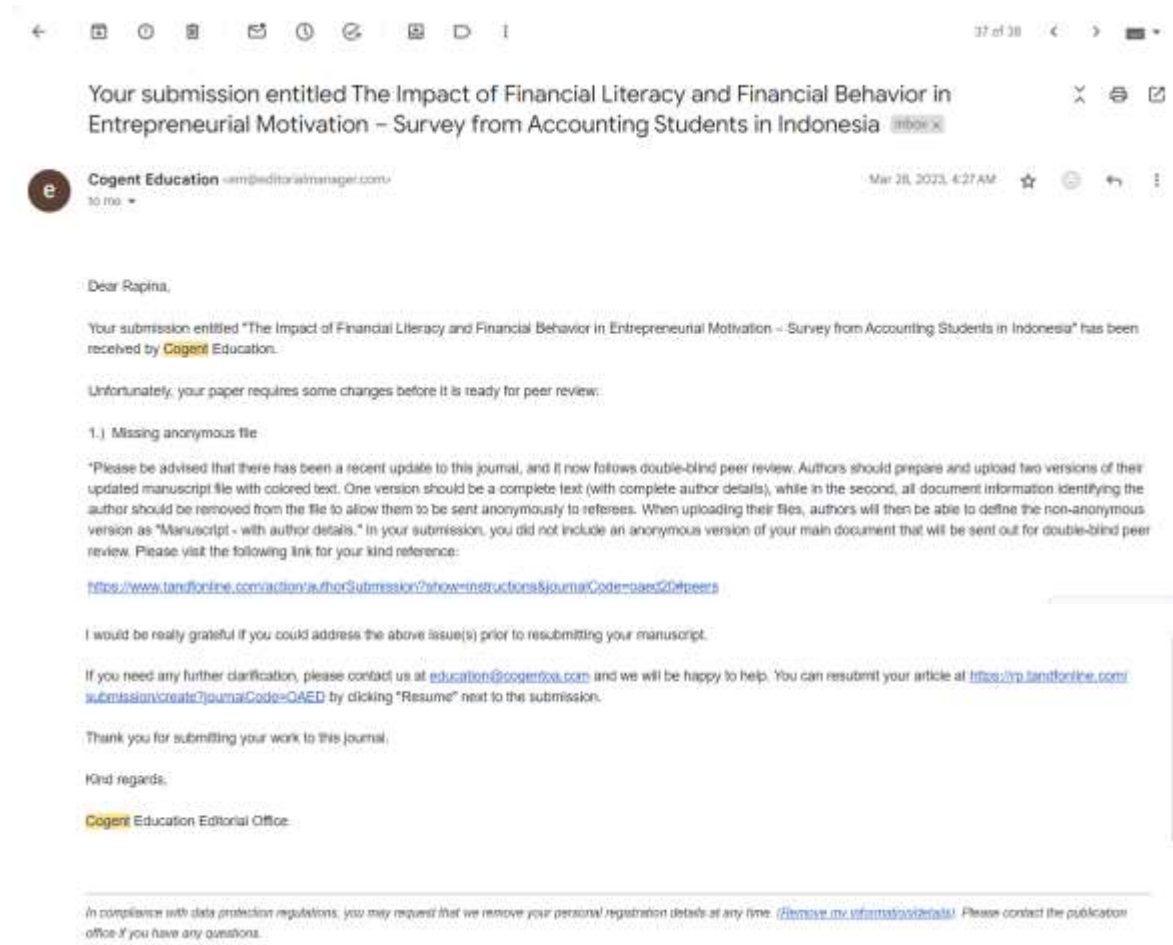
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The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation – Evidence from Accounting Students in Indonesia

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Abstract

Entrepreneurship has been viewed as a catalyst for economic growth because it creates jobs and offers solutions to social issues. The government is trying to make entrepreneurship popularized among the public, especially in students in universities. This analysis aims to ascertain how financial behavior and literacy, particularly among accounting students at West Java universities, affect entrepreneurial motivation. In addition, this research also examined the level of financial literacy and the level of financial behavior in accounting students in West Java, Indonesia. This research employs a quantitative approach and the data were collected using a survey questionnaire. Partial Least Square Structural Equation Modelling (PLS-SEM) method were used to analyze data of 251 respondents of accounting students from universities in West Java, Indonesia. The study found a significant positive association between financial literacy and accounting students' financial behavior and their willingness to start their own business. The study also found a fairly good level of financial literacy and financial behavior in accounting students in West Java, Indonesia. This research contributes to educators and educational institutions that it is very important to design an integrated educational curriculum to strengthen the entrepreneurial motivation of accounting students in Indonesia.

Keywords: financial literacy, financial behavior, entrepreneurial motivation, an accounting student, West Java universities

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1. Introduction

Entrepreneurship is crucial for creating new prospects for economic growth because it creates jobs and offers solutions to social issues (Zarnadze, 2022; Kimmit & Munoz, 2017; Urbano & Aparicio, 2015), so that entrepreneurship education in tertiary institutions needs to be developed and taught to students effectively. Unfortunately, there are number of factors that hinder the development of entrepreneurial potential among Indonesian youth, one of which is the lack of financial literacy in individuals (Prasetyo, 2020; Napitupulu, 2021). Developing nations like Indonesia encourage students to engage in entrepreneurship and think about it as a career, because the emergence of

entrepreneurship is significantly influenced by students (Karimi et al., 2014). Indonesia itself is a vast archipelago country where Java Island is one of the largest and most populous islands in Indonesia and even in the world. It is not surprising that Java Island is the center of economics and politics in Indonesia, and even the capital city of Indonesia itself is in Java Island (Dsikowitzky, 2019; Setyaningrum, 2022), so it is necessary to examine the entrepreneurial motivation of students on Java Island for Indonesia's economic development.

For their business to succeed, entrepreneurs need to have a solid understanding of finance. Entrepreneurs are defined as those who start enterprises, employ resources, take risks, and actively participate in business choices (Voda & Florea, 2019). Successful business owners must possess strong money management abilities (Ahmad et al., 2021). As previously explained that individual financial literacy is important in supporting entrepreneurship where financial literacy is knowledge or education in relation to money, assets, bank accounts, investments, credit, insurance, taxes, and how to use this financial information when making individual financial plans effectively. Financial competency can be increased through financial literacy, which also influences personal financial behavior (Akca et al., 2018; Te'eni Harari, 2016). Developing individual financial literacy requires a long process because it requires a lot of effort from the individual himself and from the institution surrounding the individual (Çera et al., 2021). Those that are financially literate will exhibit healthy financial behavior, such as when making long-term decisions like purchasing a new home or creating retirement plans (Blue et al., 2014). Entrepreneurs have responsibilities related to corporate finances, investments, cash flow, and planning that are dependent on their own personal financial behavior (Jappelli & Padula, 2013). Individual financial behavior is influenced by financial literacy, and better financial management results from greater financial literacy (Arofah et al., 2018; Akca et al., 2018).

Entrepreneurs must understand finance and possess financial skills prior to engage in business activities. The knowledge and abilities gained through education result in responsible financial behavior that can ultimately contribute to the successful operation of a business (Ahmad et al., 2021). The government has also paid special attention to improving the quality of entrepreneurship in Indonesia, for example through the school curriculum which has added lessons on entrepreneurship (Saptono et al., 2020). Unfortunately, in real life, there are many young entrepreneurs fail to manage their business. The success rate of young entrepreneurs was previously reported to be low (Fatoki, 2014). In addition, the study revealed that financial management practices were neglected while business production and marketing were given top priority (Fuller et al., 2018), and there are barriers to financing young entrepreneurs face (Musie, 2015).

Although financial behavior and financial literacy are crucial components of running a business, but there are still many entrepreneurs who can't run a business well di Indonesia, therefore this study seeks to close the gap by re-examining the relationship between financial literacy, financial behavior and entrepreneurial motivation of entrepreneurs who in this context are accounting students in West Java, Indonesia. To the best of the knowledge of the researcher, there is no research that directly links these three variables in one study and was conducted in Indonesia, especially on the island of Java. In addition, this research also examined the level of financial literacy and the level of financial behavior in accounting students in West Java, Indonesia. This research can contribute academics and entrepreneurship educators to find solutions that appropriate to encourage the development of education on entrepreneurship in universities and ultimately in society.

2. Literature Review

The theory of reasoned action proposed by Ajzen and Fishbein (1977) has been used for the past two decades to study individual desires and behavior. This theory says that individuals have the intention or desire to perform an action that results in that individual's behavior. When someone already has high financial knowledge, he will tend to have good financial behavior and ultimately generate motivation for entrepreneurship. This is in accordance with the theory mentioned above, namely that a person's motivation arises from a person's intention to behave or the actual intention produces motivation to perform the action (Zarnadze et al., 2022). This study uses financial literacy and financial behavior that influence entrepreneurial motivation. Financial literacy actually consists of three dimensions, namely financial knowledge, financial attitude, and financial behavior, but in this study only financial knowledge (the name of the variable used is financial literacy) and financial behavior is used on the grounds that behavior and attitudes have a very close relationship (Çera et al., 2021) so the researchers decided to combine these into one variable (the name of the variable used is financial behavior).

2.1. Financial Literacy and Financial Behavior

Financial literacy is considered as a combination of knowledge, skills and self-efficacy and the decision-making process is influenced by individual knowledge which enables a person to transform knowledge into behavior (Çera et al., 2021). Financial knowledge is defined as an understanding of personal finance and the economy which includes knowledge of savings and investment, banking and insurance, taxes and debt (Khan et al., 2022). Through financial literacy, individuals learn to make long-term monetary choices, such as buying an unused domestic or making retirement plans, so monetary proficiency comprises of terms and data instructed for the monetary advancement of each person (Blue et al., 2014). Financial decision-making and financial management behavior includes things like creating budgets, paying bills on time, and appropriately managing savings (Bhushan & Medury, 2014; Kalekye & Mbah, 2015). It can be seen that individual financial knowledge is an important component to improve individual behavior in making financial decisions. Further exploration also revealed that financial knowledge influences individual financial behavior and decision making by individuals so that they are related to one another (Allgood & Walstad, 2016; Kalmi, 2018).

The financial knowledge of students, aged 18 and over, is very important because students at this age begin to lead an independent life, especially in terms of finances. Financial knowledge becomes essential when these students start spend their own money (Ahmad et al., 2021). Most students struggle to manage their money when they are enter college, they are beginning to live independently, and are getting their first taste of handling their own money (Shaari et al., 2013). College students' financial actions appear to have an impact on their future, which suggests that someone with inadequate financial literacy will experience financial difficulties in the future. Student's academic achievement, financial hardship, and capacity to find employment after graduation can all be affected by economic ignorance (Ahmad et al., 2021). Financial conduct is significantly affected by financial literacy. Research demonstrates that financial knowledge significantly affects financial behavior, which is a crucial component of financial literacy (Trunk & Dermol 2015). According to Xiao et al. (2014), sound financial management is what leads to financial security and a promising future. As a result, it is crucial for students to arm themselves with financial knowledge.

Thus, this research hypothesises that:

H1: Financial literacy is positively related to the financial behavior of accounting students.

2.2. Financial Behavior and Entrepreneurial Motivation

Entrepreneurship is an important matter that has received attention from the government because it can make an extraordinary contribution to economic development, economic growth and social welfare (Saptono et al., 2020). Entrepreneurship is encouraged among the younger generation, such as students from various universities. Entrepreneurial activities are related to financial activities in business where good financial behavior is needed in a business. Entrepreneurs that have strong financial management abilities promote business expansion. Entrepreneurs must therefore be backed by financial competence, one of which is the financial behavior required of them to manage their businesses successfully (Suparno & Saptono, 2018). The obligations of the entrepreneur in terms of business finance, investing, cash flow, and planning are related to behavioral finance. One of the financial skills necessary for the success and expansion of entrepreneurial businesses is behavioral finance. Education-based knowledge and skills enable responsible financial behavior. The desire of students to launch new firms is affected by financial behavior and financial knowledge (Jappelli & Padula, 2013).

Behavioral finance is about how a person makes financial decisions including financial planning, saving, budgeting, investing, and paying off debt (Greenberg & Hershfield, 2019; Çera et al., 2021). Financial behavior reveals the degree to which the entrepreneur is in control of the company's finances and budgeting, and sound financial behavior makes it easier to make wise choices. Entrepreneurs that practice effective financial conduct may comprehend the overall effect of financial decisions on business performance. Therefore, having good financial knowledge and good financial behavior can also affect the younger generation to become entrepreneurs (Ahmad et al., 2021).

Based on the above description, this research hypothesises that:

H2: Financial behavior is positively related to entrepreneurial motivation of accounting students.

2.3. Financial Literacy and Entrepreneurial Motivation

Over the past decade, entrepreneurship has grown in importance as a social and economic issue and a world-renowned research topic. Entrepreneurship is becoming a very relevant instrument for increasing economic growth and development in various countries. Entrepreneurial activities are introduced to the younger generation, especially students at universities. They are given financial competence to manage a business effectively (Saptono et al., 2020). Educational institutions can develop fundamental entrepreneurial abilities to encourage student's entrepreneurial enthusiasm. This education gives financial knowledge and skills, improves student's financial literacy, and direct students to appropriate financial behaviors. This education encourages students to have high entrepreneurial motivation (Suparno & Saptono, 2018; Israr & Saleem, 2018). Entrepreneurs need to be financially educated since they must make financial decisions, and financial literacy has a beneficial effect on business growth because it makes it difficult for someone without financial expertise to make decisions involving money (Zhao & Li, 2021).

Financial literacy and financial behavior influence student's interest in entrepreneurship. These supporting factors are needed to foster student motivation for entrepreneurship (Ahmad et al., 2021). As mentioned above, a person with good financial literacy will also tend to have good financial behavior and this will result in increased motivation for entrepreneurship, so that entrepreneurial motivation has a partial relationship with financial literacy because financial knowledge cannot be significantly related to entrepreneurial intentions without being transformed into finance-related behaviors or attitudes (Solesvik, 2013). Entrepreneurs who have received entrepreneurship education exhibit higher motivation compared to entrepreneurs without entrepreneurship education (Ahmad et al., 2021). Studying

financial topics can improve financial attitudes and behavior (Cera et al., 2021) which in turn can create entrepreneurial motivation.

Based on the above description, this research hypothesises that:

H3: Financial literacy is positively related to the entrepreneurial motivation of accounting students

H4: Financial literacy has a positive relationship with accounting students' entrepreneurial motivation which is mediated by financial behavior



Figure 1. Research Model

3. Methodology

3.1. Participants

This research employed a quantitative research design and survey questionnaire was used to collect the data. This research was conducted between November 2022 and March 2023. Students studying accounting from the University of Java Island in Indonesia made up the study's population. Purposive sampling was the method of sampling utilized in this study, and the target respondents were those who met specific practical requirements, such as proximity to the study's location and willingness to participate. Researchers asked lecturers at the university for permission to distribute questionnaires to students at the university. Researchers also entrusted questionnaires to known lecturers or to students, then they helped distribute the questionnaires at their respective universities. The respondents collected were 251 accounting students and all respondents gave consent that the data provided would be published for scientific purposes. These respondents were final year students who had better financial literacy than other students. The sample of students is also considered the most relevant to this study because based on their understanding of finance and business, students are regarded as a prospective entrepreneurial population (Ahmad et al., 2019).

3.2. Instrumentations

A structured questionnaire with four components was used to gather primary information for the independent and dependent variables. The first part deals with the respondent's profile, the second part deals with financial literacy, the third part deals with financial behavior and the fourth part deals with entrepreneurial motivation. All questions used a 5-point Likert scale from "strongly disagree" (1) to "strongly agree" (5). The questionnaire survey used in this study was adopted from the OECD report (2011) as well as Atkinson and Messy (2012) to quantify financial literacy and financial behavior, while to quantify entrepreneurial motivation was adopted from Ahmad et al. (2021). Questionnaires were distributed online to students with consideration of the ease of obtaining data at the end of 2022 which is a pandemic transition period.

3.3. Validity and Reliability

The study instrument was already validated by the previous research. Validity testing is carried out by testing convergent validity and discriminant validity to ensure that the indicators used to measure constructs are valid. Convergent validity was measured using AVE (average variance extracted). An AVE value of more than 0.50 indicates that on average, the construct explains more than half of the variance of the indicators. Discriminant validity is the degree to which a construct is completely different from a construct based on empirical standards. The method for testing discriminant validity is based on cross loadings of indicators, with of acceptable outer loading value is greater than 0.7. Consistency reliability testing uses the Cronbach's alpha value and the composite reliability value where the Cronbach's alpha value is at least 0.7 and the composite validity value is at least 0.7 (Hair et al., 2014).

3.4. Data analysis

The analysis uses structural equation modeling with an alternative partial least square method. The reason for using structural equation modeling is because the variables being studied are not measured directly but are measured through several indicators. The Structural Model used as a data assessment in the first PLS-SEM by measuring collinearity to predict endogenous constructs or indicators with a determination assessment (R^2) (Hair et al., 2019).

Data availability

Underlying data

Figshare: Dataset survey on Accounting Students from 251 respondents. <https://doi.org/10.6084/m9.figshare.22331161.v1> (Rapina et al., 2023).

This project contains the following underlying data:

- Questionnaire results from 251 accounting students.

4. Results

4.1. Descriptive analysis

There were 252 questionnaires collected, namely accounting students at universities spread across Java. The majority of responders (91.3%) were under the age of 25, and nearly twice as many women as men were among them.

Table 1. Financial Literacy Descriptive Statistics

Indicator	Mean	Standard Deviation	Answer Score					Total
			1	2	3	4	5	
FL_01	3,91	0,63	5	6	15	207	19	252
FL_02	3,69	0,68	1	7	82	141	21	252
FL_03	3,66	0,69	4	7	73	155	13	252
FL_04	3,64	0,67	4	5	79	153	11	252
FL_05	4,02	0,64	4	5	10	196	37	252
FL_06	4,22	0,82	4	6	20	123	99	252
FL_07	3,91	0,54	2	6	18	212	14	252
FL_08	4,09	0,94	2	7	69	63	111	252
FL_09	3,90	0,59	2	7	24	200	19	252
FL_10	4,01	0,55	1	8	7	208	28	252

Overall	3,90	0,71	29	64	397	1658	372	2520
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Most accounting students at universities spread across Java Island already have good financial literacy with a typical overall rating of 3.90 on a scale of 1-5. The highest financial literacy is regarding the importance of investment, with a typical rating of 4.22. Conversely, the lowest financial literacy is regarding the importance of insurance for future protection, with a typical overall rating of 3.64.

Table 2. Financial Behavior Descriptive Statistics

Indicator	Mean	Standard Deviation	Answer Score					Total
			1	2	3	4	5	
FB_01	3,79	0,55	3	6	34	206	3	252
FB_02	3,97	0,93	3	6	77	75	91	252
FB_03	3,35	0,68	3	3	168	60	18	252
FB_04	3,62	0,72	6	4	84	144	14	252
FB_05	3,86	0,57	2	9	22	209	10	252
FB_06	3,28	0,63	3	8	165	68	8	252
FB_07	3,96	0,54	3	5	9	217	18	252
FB_08	3,76	0,80	4	6	76	127	39	252
FB_09	3,27	0,67	5	4	175	55	13	252
FB_10	3,62	0,69	3	7	87	140	15	252
Overall	3,65	0,73	35	58	897	1301	229	2520

In general, accounting students at universities spread across Java Island already have good financial behavior with a typical overall rating of 3.65 on a scale of 1-5. The best financial behavior is in terms of preparing a budget every month, with a typical rating of 3.97. On the other hand, the worst financial behavior is in monitoring one's own financial affairs continuously, with a typical overall rating of 3.27. Then there are other financial behaviors that are still bad, namely rarely keeping financial records and [often making cash withdrawals using debit cards](#).

Table 3. Entrepreneurship Motivation Descriptive Statistics

Indicator	Mean	Standard Deviation	Answer Score					Total
			1	2	3	4	5	
EM_01	3,60	0,67	3	6	92	140	11	252
EM_02	3,70	0,65	1	7	75	152	17	252
EM_03	3,67	0,69	3	5	83	143	18	252
EM_04	4,28	0,76	4	4	12	130	102	252
EM_05	3,98	0,65	6	3	10	204	29	252
EM_06	3,21	0,56	3	5	183	57	4	252
EM_07	3,58	0,67	5	4	90	146	7	252
EM_08	3,61	0,66	4	3	90	145	10	252
EM_09	3,85	0,59	5	5	21	214	7	252
EM_10	4,31	0,72	2	7	6	134	103	252
Overall	3,78	0,74	36	49	662	1465	308	2520

In general, accounting students at universities spread across Java Island already have high entrepreneurial motivation with a typical overall rating of 3.78 on a scale of 1-5. The highest motivation is in terms of the habit of budgeting and planning financial resources to run a business, with a typical rating of 4.21. Conversely, the lowest motivation is in terms of the habit of dealing with funding or debt for businesses, with a typical rating of 3.21.

4.2. Verification analysis

To prove whether financial literacy and financial behavior affect entrepreneurship motivation, a test is carried out using structural equation modeling with an alternative partial least square method.

4.2.1. Outer model

The outer model or measurement model is a model that connects latent variables with manifest variables. In this study there were 3 latent variables with a total of 30 manifest variables (indicators). The following is the result of analysis of data processing using Warp PLS 7.0 along with an explanation of the convergent validity and discriminant validity tests.

Table 4. Loadings Factor of Each Latent Variable Indicator

Latent Variable	Loadings Factor (Indicator)										CR	CA	AVE
	1	2	3	4	5	6	7	8	9	10			
FL	0,770	0,773	0,821	0,829	0,748	0,755	0,729	0,781	0,720	0,711	0,933	0,921	0,584
FB	0,566	0,620	0,674	0,846	0,673	0,733	0,739	0,857	0,761	0,857	0,922	0,905	0,546
EM	0,845	0,842	0,861	0,810	0,726	0,587	0,903	0,855	0,751	0,830	0,948	0,938	0,649

In table 4, the indicators have loading factors that are less than 0.7 is advised to be removed from the model. (Hair et al., 2014). With the removal of the indicator from the model with a loading factor of less than 0.7, the outcomes of the new outer model are as follows.

Table 5. Loadings Factor and *Cross Loading* Each Latent Variable Indicator

Indicator	FL	FB	EM
FL ₀₁	0,770	0,555	0,619
FL ₀₂	0,773	0,675	0,692
FL ₀₃	0,821	0,580	0,720
FL ₀₄	0,829	0,684	0,718
FL ₀₅	0,748	0,579	0,574
FL ₀₆	0,755	0,426	0,659
FL ₀₇	0,729	0,433	0,559
FL ₀₈	0,781	0,548	0,730
FL ₀₉	0,720	0,487	0,587
FL ₁₀	0,711	0,588	0,567
FB ₀₄	0,705	0,847	0,788
FB ₀₆	0,494	0,790	0,476
FB ₀₇	0,593	0,717	0,587

FB ₀₈	0,652	0,899	0,737
FB ₀₉	0,492	0,801	0,503
FB ₁₀	0,633	0,843	0,743
EM ₀₁	0,676	0,657	0,840
EM ₀₂	0,685	0,787	0,842
EM ₀₃	0,705	0,703	0,865
EM ₀₄	0,697	0,468	0,838
EM ₀₅	0,678	0,600	0,720
EM ₀₇	0,722	0,737	0,896
EM ₀₈	0,671	0,730	0,842
EM ₀₉	0,725	0,608	0,744
EM ₁₀	0,743	0,568	0,861
CR	0,933	0,924	0,952
CA	0,921	0,900	0,942
AVE	0,584	0,669	0,687

In table 5, all indicators have a loading factor greater than 0.7 and are declared valid. The composite reliability (CR) of each latent variable is also greater than 0.7 indicating that these indicators are reliable for gauging the corresponding latent variables.

In the financial literacy latent variable, the FL04 indicator (purchasing essential insurance for future protection) has the greatest loading factor. This information demonstrates that the latent variable of financial literacy is most strongly reflected by the importance of insurance for future protection. On the other hand, the FL10 indicator (more satisfied to save money for a business or activity in the future) is the weakest in reflecting the latent variable of financial literacy. The average variance extracted (AVE) value of 0.584 indicates that the latent variable financial literacy can reflect, on average, 58.4% of the data from each indicator.

In the financial behavior latent variable, the FB08 indicator (likes to compare prices or price surveys when shopping) has the greatest loading factor. This data shows that comparing prices or price surveys when shopping is the most strongly in reflecting financial behavior variables. On the other hand, the FB07 indicator (planning and implementing a regular savings program) is the weakest in reflecting latent financial behavior variables. The average variance extracted (AVE) value of 0.669 indicates that on average 66.9% of the information contained in each indicator can be reflected through financial behavior latent variables.

In the entrepreneurship motivation latent variable, the EM07 indicator (understanding business-related financial reports) has the greatest loading factor. This data shows that understanding of financial statements related to effort is strongest in reflecting entrepreneurship motivation. On the other hand, the EM05 indicator (accustomed to solving financial problems) is the weakest in reflecting the latent variable entrepreneurship motivation. The average variance extracted (AVE) value of 0.687 indicates that on average 68.7% of the information contained in each indicator can be reflected through the latent variable entrepreneurship motivation.

The next test is discriminant validity through cross loading, according to Hair et al. (2014) the presence of cross loading which is greater than outer loading indicates a discriminant validity problem. In table 5, the loading factor

values of each construct (latent variable) with their own indicators are higher than the indicators on other latent variables. This data shows that there is no discriminant validity's problem, because each indicator has a stronger relationship with its own construct than with other constructs.

In addition, researchers have also examined the problem of multicollinearity between the indicators used in this study and the result is that there is no multicollinearity between indicators in the variables used. Statistical results show that the Average VIF (AVIF) value in this study is 2,668. A VIF value of 5 or more indicates a critical collinearity problem between the indicators of the formatively measured constructs. However, collinearity problems can also occur at VIF values lower than 3. Ideally, VIF values should be close to 3 and lower (Hair et al., 2019). It can be concluded that in this study there is no multicollinearity problem.

4.2.2. Inner model

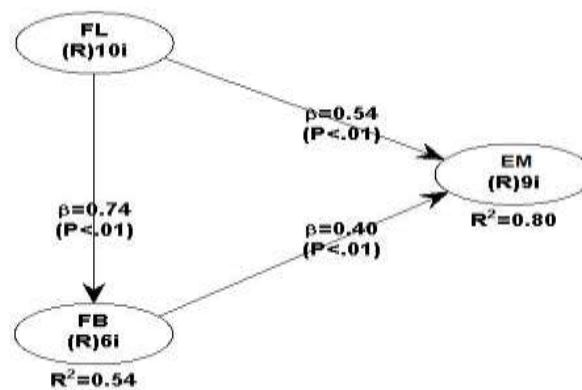


Figure 2. Model Results

The inner model is a model that links exogenous latent variables with endogenous latent variables, or the relationship between endogenous variables and other endogenous variables.

Table 6. Summary of Structural Model Results

Path	Coefficient	Contribution	t-statistics	p-value	R ²	Q ²
FL --> FB	0,736	0,542	13,143	<0,001	0,542	0,545
FL --> EM	0,545	0,468	9,561	<0,001	0,796	0,797
FB --> EM	0,397	0,328	6,729	<0,001		
FL --> FB --> EM	0,292	0,292	6,952	<0,001		

It can be seen through R² that financial literacy has an influence of 54.2% on financial behavior. Then financial behavior has an influence of 68.5% on entrepreneurship motivation. The Q² value is a predictive relevance value, because Q² > 0.35 indicates that the structural model obtained has strong predictive usefulness.

The Influence of Financial Literacy on Financial Behavior

The first hypothesis to be tested is the effect of financial literacy (FL) on financial behavior (FB). Table 6 demonstrates that the path coefficient of financial literacy on financial behavior has a positive sign with t_{statistic} value of 13.143 and a probability value close to zero. Because the t_{statistic} is greater than 1.645 and the probability value is <0.05, at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial literacy has a positive

effect on financial behavior. The findings of this research provide empirical evidence that better financial literacy will increase the financial behavior of university accounting students spread across Java.

The Influence of Financial Behavior on Entrepreneurship Motivation

The second hypothesis to be tested is the effect of financial behavior (FB) on entrepreneurship motivation (EM). Table 6 demonstrates that the financial behavior path coefficient on entrepreneurship motivation is positive with $t_{\text{statistic}}$ value of 6.729 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value is <0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial behavior has a positive effect on entrepreneurship motivation. The findings of this research provide empirical evidence that better financial behavior will increase entrepreneurship motivation among university accounting students across Java.

The Influence of Financial Literacy on Entrepreneurship Motivation

The third hypothesis to be tested is the effect of financial literacy (FL) on entrepreneurship motivation (EM). In table 6 it can be seen that the path coefficient of financial literacy on entrepreneurship motivation has a positive sign with a statistical value of 9,561 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value is <0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial literacy has a positive effect on entrepreneurship motivation. The findings of this research provide empirical evidence that better financial literacy will increase entrepreneurship motivation among university accounting students across Java.

The Influence of Financial Literacy on Entrepreneurship Motivation Mediated by Financial Behavior

The fourth hypothesis to be tested is the influence of financial literacy (FL) on entrepreneurship motivation (EM) mediated by financial behavior (FB). Table 6 demonstrates that the path coefficient of financial literacy mediated by financial behavior towards entrepreneurship motivation has a positive sign with $t_{\text{statistic}}$ value of 6.952 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value is < 0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial literacy mediated by financial behavior has a positive effect on entrepreneurship motivation. The findings of this research provide empirical evidence that good financial literacy will improve financial behavior and finally increase entrepreneurship motivation among university accounting students across Java.

5. Discussion

This study describes the effect of financial literacy and financial behavior on entrepreneurial motivation in accounting students in West Java, Indonesia. The study's findings indicate that accounting students in West Java have financial literacy that is quite good, above average. The conclusion of this study is in accordance with the findings of Ahmad et al. (2021) which explains that accounting students have a fairly good level of financial literacy compared to students of other majors. The respondent's data shows that good financial literacy can be seen in the awareness of accounting students who consider investment to be important. Students' financial decisions affect their future, and those with inadequate financial literacy will likely experience financial difficulties down the road. This will be different from students who are aware of the importance of investing because by investing, students will have sufficient finances in the future. According to earlier studies, students who have a strong grasp of finance are more likely to be conscious of their financial situation that investment is good for dealing with financial problems in the future (Ali et al., 2022).

However, there are also findings which say that students from accounting or business backgrounds have an understanding of finance that is no better than students from other majors. This implies that financial education still needs to be improved in educational institutions (Ahmad et al., 2019).

Regarding student financial behavior, the respondent's data shows that accounting students are aware of the importance of making a budget every month. A good budget or financial plan must be used to achieve long-term financial targets. This is in accordance with research conducted by Greenberg & Hershfield (2019) which says that individuals with good financial behavior will also have the ability to make good financial decisions, one of which is aware of the importance of making a budget. Students are considered to manage their finances well if they have sufficient financial knowledge, so that there is a relationship between financial literacy and financial behavior. Hence, when students are aware of and knowledgeable about finances, they may make wise financial judgments. This can be seen in the potential of students in managing their personal finances such as having investments and insurance. This study supports other studies that show how financial literacy affects students' financial behavior (Akca et al., 2018; Arofah et al., 2018; Te'eni Harari, 2016; Voda & Florea, 2019). This finding is also in line with the findings of Çera et al. (2021) who said individual financial knowledge is an important component in making decisions in financial matters, so that there is a strong relationship between financial knowledge and financial practice. However, research conducted by Kaiser & Menkhoff (2017) says something different, namely financial literacy does not affect financial behavior in micro-entrepreneurs, especially for those with low incomes.

Regarding entrepreneurship, data shows that financial behavior has a significant relationship to entrepreneurial motivation in accounting students in West Java. This is consistent with previous findings which state that students with good financial behavior in managing their personal finances will also have high motivation to become entrepreneurs (Jappelli & Padula, 2013; Ahmad et al., 2021). To sustain their business in the future when they become entrepreneurs, students must be prepared with financial knowledge and entrepreneurial abilities. Entrepreneurs are described as individuals who create businesses, use assets, take business risks and are active in making business decisions (Voda & Florea, 2019). To achieve business success, entrepreneurs must also be equipped with good financial management skills (Ahmad et al., 2021). Data shows that the highest motivation for entrepreneurship is in terms of the habit of budgeting and planning financial resources to run a business. These findings align with earlier studies which explains that students who have good financial management skills will be successful in making decisions regarding budgeting and allocating resources in implementing business strategies (Conneely, 2010; Çera et al., 2021). This shows that financial behavior and entrepreneurial motivation are strongly correlated.

Furthermore, financial literacy has a significant relationship with entrepreneurial motivation among accounting students which is mediated by financial behavior. Because financial literacy must be translated into financial-related actions to be significantly connected to entrepreneurial aspirations, there is a partial association between entrepreneurial motivation and financial literacy (Ahmad et al., 2021). Studying financial topics can improve financial attitudes and behavior (Cera et al., 2021) which in turn can create entrepreneurial motivation, so that financial behavior acts as a mediation between financial literacy and entrepreneurial motivation. The findings of this study show that among accounting graduates, financial literacy and entrepreneurial motivation are significantly correlated. Previous research has shown that students with high levels of financial literacy had more entrepreneurial desire than students with low levels of financial literacy, which is consistent with the present conclusion (Valencia et al., 2015). Students with high literacy levels have good financial knowledge and can take effective actions in starting their business. A crucial managerial skill for entrepreneurs in deciding the success of their businesses is financial literacy. The competence of

the business owner to manage finances determines the profitability of a company. In this case, entrepreneurs certainly have good knowledge of finance first and then carry out financial management to achieve business success (Akca et al., 2018; Jappelli & Padula, 2013). This is consistent with previous findings which state that students with good financial knowledge will tend to have good business motivation through behaviors or attitudes that support this knowledge (Suparno & Saptono, 2018; Israr & Saleem, 2018).

6. Conclusion, implication, limitation, and recommendations for future research

Accounting students in West Java, Indonesia have a good level of financial literacy and a good level of financial behavior. The data shows that students have an awareness of the importance of having an investment and they can make a financial budget for their financial life quite well. With a fairly good level of financial literacy and level of financial behavior, students must have high entrepreneurial motivation. From the findings of this study, it can be concluded that financial literacy has a significant relationship with financial behavior, financial behavior has a significant relationship with entrepreneurial motivation, and finally financial literacy has a significant relationship with entrepreneurial motivation through financial behavior. These results are supported by previous research which concluded that financial literacy and financial behavior have a significant relationship to entrepreneurial motivation (Ahmad et al., 2021; Akca et al., 2018).

Based on the findings of this study, there are several suggested implications. Young entrepreneurs must develop their financial skills to succeed in company in Indonesia since financial literacy is a crucial component of entrepreneurship among young entrepreneurs and has a significant impact on good financial behavior. Therefore, education in finance and entrepreneurship should be noted in academic institutions. Universities should provide a range of finance courses, seminars, and training sessions that are centered on developing financial management skills and disseminating sound financial advice. Through financial education courses or seminars on financial topics, students of all ages, educational backgrounds, and majors can improve their financial understanding. The data shows that although accounting students have attended several entrepreneurship courses, this experience does not make a significant contribution to entrepreneurial motivation. Universities must therefore update their course offerings to encourage students to start their own businesses. To increase students' entrepreneurial motivation, higher education institutions should design more integrated educational curricula and policymakers should provide efficient policy procedures.

Additionally, the most recent resources that are pertinent to the fourth industrial revolution must be used in Indonesian entrepreneurship education. Students will gain superior entrepreneurial knowledge and a mindset as a result of this. The entrepreneurship model must also incorporate life-based learning (Saptono et al., 2020), such as hosting company visits or inviting entrepreneurs to share their success stories. These activities will help students develop an entrepreneurial mindset and increase their desire to start their own business. Additionally, firms that have been successful should be invited to speak in schools to share their experiences with others. It is essential for the government and other stakeholders to act as a middleman between businesses and the industrial and business worlds and schools. This is a productive technique to manage and encourage the emergence of new entrepreneurs.

This study has limitations, including the fact that the sample used was limited to university students. Future studies are anticipated to use a wider sample from all Indonesian colleges with accounting departments. Moreover, there were no comparisons between accounting and non-accounting students in this study. Future studies could evaluate financial literacy, financial behavior, and entrepreneurial motivation among accounting students and non-accounting students by including non-accounting students. In addition, subsequent research can use qualitative research design or a mixture of qualitative and quantitative to produce more detailed and complete findings.

Acknowledgments

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2. Bukti Revisi pertama sesuai petunjuk chief editor Cogent (30 Mar 2023)



Rapina Rapina <rapinarapinarapina@gmail.com>

to Cogent ▾

Mar 30, 2023, 8:16 PM



Dear Cogent Education Editorial Office,

I have re-submitted my article entitled "The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation – Survey from Accounting Students in Indonesia".

There are two manuscript that I have resubmitted, one with author details and one with anonymous version.

Thanks & Regards

Rapina

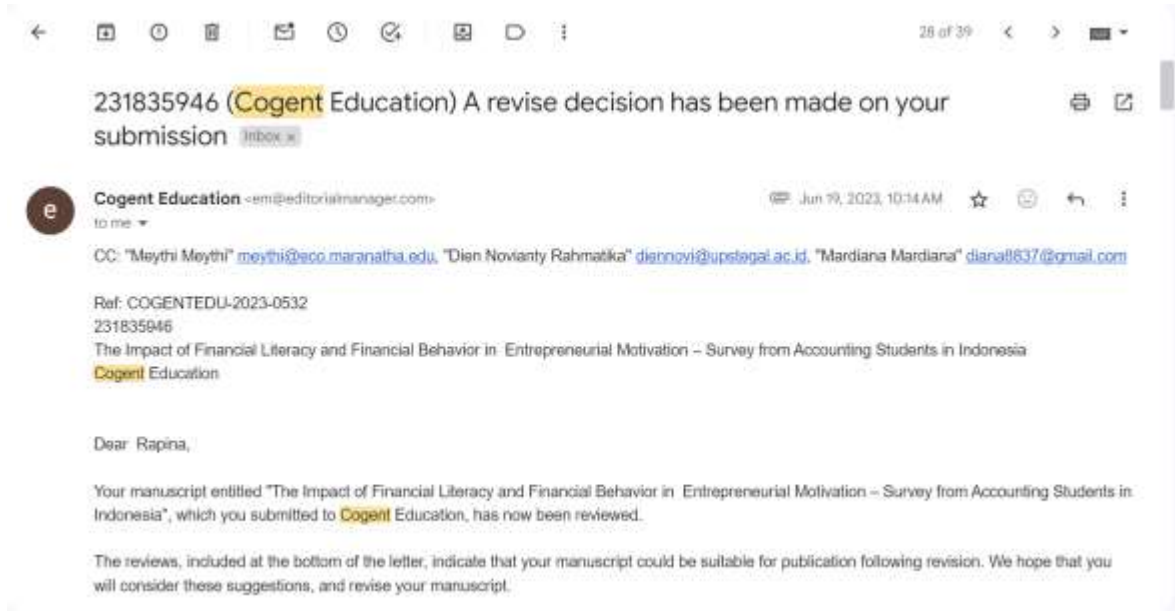


↩ Reply

➦ Forward



3. Bukti konfirmasi review dan hasil review pertama (19 Juni 2023)



Please submit your revision by Jul 18, 2023, if you need additional time then please contact the Editorial Office.

To submit your revised manuscript please go to <https://rp.cogentoa.com/dashboard/> and log in. You will see an option to Revise alongside your submission record.

If you are unsure how to submit your revision, please contact us on DAED-peerreview@journals.tandf.co.uk

You also have the option of including the following with your revised submission:

* public interest statement - a description of your paper of NO MORE THAN 150 words suitable for a non-specialist reader, highlighting/explaining anything which will be of interest to the general public

* about the author - a short summary of NO MORE THAN 150 WORDS, detailing either your own or your group's key research activities, including a note on how the research reported in this paper relates to wider projects or issues.

* photo of the author(s), including details of who is in the photograph - please note that we can only publish one photo

If you require advice on language editing for your manuscript or assistance with arranging translation, please do consider using the Taylor & Francis Editing Services (www.tandfedittingservices.com).

Please ensure that you clearly highlight changes made to your manuscript, as well as submitting a thorough response to reviewers.

We look forward to receiving your revised article.

Best wishes,

John Lee
Editor-in-Chief
Cogent Education

Comments from the Editors and Reviewers:

Title, Abstract and Introduction – overall evaluation

Reviewer 1: Sound

Methodology / Materials and Methods – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

Objective / Hypothesis – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

Figures and Tables – overall evaluation

Reviewer 1: Sound

Results / Data Analysis – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

Interpretation / Discussion – overall evaluation

Reviewer 1: Sound

Conclusions – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

References – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

Compliance with Ethical Standards – overall evaluation

Reviewer 1: Sound

Writing – overall evaluation

Reviewer 1: Sound

Supplemental Information and Data – overall evaluation

Reviewer 1: Outstanding

Comments to the author

Reviewer 1: 1 Title, Abstract and Introduction – overall evaluation

TITLE: I think the title matches the aim of the paper. However, I recommend revising it with the aim to replace “Survey from...” with something else, for example “Evidence from Indonesia”.

ABSTRACT: Although it is written the type of sampling, considering the fact that “purposive sampling” is not a technique that allows the generalisation of the results, I would suggest removing it from the abstract. In the research community it is not professional reporting regressions, including PLS output, based on a dataset that is collected using not a random sampling technique.

INTRODUCTION: I like the way how it is written Introduction. However, I would like to read more on the research gap. Please try to justify the research from theoretical and practical needs.

I would like you to cite a source for this sentence “Entrepreneurship is an effort to meet the needs of life by individuals by utilizing all the potential they have to produce something useful for the individual himself or for others.” Similar, please try to cite some sources that justify your claim “Although entrepreneurship, financial behavior, and financial literacy are crucial components of running a business, there are relatively few studies and works of literature that examine the connections between these aspects.”

Overall, consider citing:

- Personality Traits and Business Environment for Entrepreneurial Motivation. <https://doi.org/10.3390/admsci12040176>

- Financial Advice, Literacy, Inclusion and Risk Tolerance: The Moderating Effect of Uncertainty Avoidance. <https://doi.org/10.15240/tul/001/2021-4-007>

2 Literature review

Can the authors start the literature review by outlining the theoretical lenses where this research is based on? Please try adding at least one paragraph for this issue. Reading some of the articles below might clarify and give hints how to address that.

Improve this sentence: "There is a crucial factor in improving fiscal competence is financial literacy, which also has a good effect on a person's financial conduct."

If you say studies, in plural, then cite at least 3 sources: "Previous studies have indicated that most students struggle to manage their money when they first enroll in college since they are beginning to live independently and are getting their first taste of handling their own money".

I would like to see more discussion in developing H2 and H3. You have cited 3 papers in developing H2, one in each paragraph, which should be improved. Ahmad et al. (2021) is overcited.

The proposed research model does not mirror the three developed hypotheses. As it is, it requires to change H3 into a mediation type of hypothesis. Please clarify.

Overall, consider citing:

- Financial Capability as a Function of Financial Literacy, Financial Advice, and Financial Satisfaction. <https://doi.org/10.15240/tul/001/2022-1-009>
- The Role of Financial Capability and Culture in Financial Satisfaction. Economic Papers. 39, 1-18. <https://doi.org/10.1111/1759-3441.12299>
- Financial Capability and Technology Implications for Online Shopping. <https://doi.org/10.15240/tul/001/2020-2-011>
- Does gender matter in financial literacy? A case study of young people in Tirana. Scientific Papers of the University of Pardubice, Series D

3 Methodology / Materials and Methods – overall evaluation

Applying the purposive sampling is a weakness for your study. It does not allow the generalisation of the results coming out from the analysis. There is no need to change anything now, however, the interpretation should be done only for the respondents and not for all students. Please, interpret the results with caution.

It is written that "All questions used a 5-point Likert scale with five indicating strongly agree and one indicating strongly disagree." Please indicate what 1 and 5 stand for your Likert scale.

Under 3.2 Instrumentation, it is written "while to quantify financial motivation was adopted from..." I believe this was a mistake. You wanted to say entrepreneurial motivation. Please, double check.

4 Objective / Hypothesis

More discussion in developing the hypothesis is needed.

5 Figures and Tables

Satisfied.

6 Results / Data Analysis

While mentioning that "Most of the respondents were under the age of 25 (91.3%) which were dominated by women (76.6%)", please try to bring some comparison with actual distribution of the students, particularly by gender. If the share of female students is around 70%, then it can be used as a justification that your sample correspond to the actual distribution of students by gender.

How did you check for multicollinearity? Having high values of CR and CA, and many indicators

for one construct, might be an indication that the model suffers from multicollinearity. You can check this by observing VIF values for each indicator. Read carefully: Hair, J.F., Risher, J.J., Sarstedt, M. and Ringle, C.M. (2019), "When to use and how to report the results of PLS-SEM", *European Business Review*, Vol. 31 No. 1, pp. 2–24.

Why did you measure the path FL --> FB --> EM in Table 6? Is that related to any hypothesis? I cannot find it. This relationship is not a direct effect. Please clarify.

7 Interpretation / Discussion

Please pay attention to the way how you interpret the results. H0 should be $\gamma = 0$ and not $\gamma = < 0$, and HA should be $\gamma \neq 0$. Nevertheless, in quality articles, it is hard to find H0 and HA.

Therefore, please refer only to the developed hypotheses in the literature review.

I see that in the discussion you have mentioned the mediation effect. Given this case, I would suggest adopting H3 in the literature review according to mediation effect type of hypothesis.

8 Conclusions

While I see some practical implications written in this section, yet I would like to read in the conclusion the theoretical implication of your research.

9 References

To include additional sources.

10 Writing

Satisfied

11 Supplemental Information and Data

Satisfied

Title, Abstract and Introduction – overall evaluation

Reviewer 2: Sound

Methodology / Materials and Methods – overall evaluation

Reviewer 2: Sound with minor or moderate revisions

Objective / Hypothesis – overall evaluation

Reviewer 2: Sound

Figures and Tables – overall evaluation

Reviewer 2: Sound with minor or moderate revisions

Results / Data Analysis – overall evaluation

Reviewer 2: Sound with minor or moderate revisions

Interpretation / Discussion – overall evaluation

Reviewer 2: Sound

Conclusions – overall evaluation

Reviewer 2: Sound with minor or moderate revisions

References – overall evaluation

Reviewer 2: Sound with minor or moderate revisions

Compliance with Ethical Standards – overall evaluation
Reviewer 2: Sound

Writing – overall evaluation
Reviewer 2: Sound with minor or moderate revisions

Supplemental Information and Data – overall evaluation
Reviewer 2: Sound with minor or moderate revisions

Comments to the author
Reviewer 2: The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation – Survey from Accounting Students in Indonesia

General Comments

This manuscript is quite interesting, because it makes a significant contribution to the development of entrepreneurship among students majoring in Accounting. This study attempts to find the impact of financial literacy on financial behavior and at the same time identify the influence of financial behavior on entrepreneurial motivation. In other words, financial behavior functions as a mediator variable between financial literacy and entrepreneurial motivation. In addition, the authors need to do proofread again to improve the quality of English.

Introduction

The author has explained the importance of this research using various sources. However, the authors need to use the results of research with the theme of financial literacy, financial behavior, and entrepreneurial motivation originating from the context of education in Indonesia. Indonesian researchers have published many articles on financial literacy, financial behavior, and entrepreneurial motivation in reputable international journals. The use of textbooks as sources should be reconsidered.

Literature review

The authors write a fairly good literature review, but needs to be deepened. The author should add more articles from previous research related to the three variables. In addition, the authors also have yet used grand theory.

Authors need to be careful, because according to several previous studies it was found that financial literacy consists of three factors, namely financial knowledge, financial attitude, and financial behavior. The authors need to explain further that financial literacy in this manuscript is financial knowledge and financial attitude.

Methodology

The authors explained the population, sample, sampling technique, instrument development. However, please reconsider whether the use of purposive sampling is appropriate. Please consider using a multi-stage sampling technique.

Validity and reliability tests are presented in a separate section, not in the data analysis section. The authors need to explain further about the instrument validity test using factor loading. The author also needs to explain the reliability test using Cronbach's Alpha.

Results

The author has presented the results in this section well. However, the authors provide tables 1, 2, 3 which are less informative. Descriptive analysis needs to be narrated in more detail, so that it can provide a deeper meaning. The author needs to explain the mean and standard deviation

better. Authors need to be careful in using the statement "Then there are other financial behaviors that are still bad, namely rarely keeping financial records and often making cash withdrawals using credit cards". Most Indonesian students do not use credit cards, but debit cards. The researcher has explained the outer model and inner model quite completely.

Discussion

The author needs to deepen the discussion and adjust it with the improvements to the literature review. The author need to realize that the discussion is also an opportunity for authors to clarify research results with a literature review. Re-citing what has been written in the literature review needs is important.

conclusion

The author needs to emphasize that there are three conclusions in this article, namely: (1) The results of the descriptive analysis; (2) the effect of financial literacy on financial behavior, (3) the effect of financial behavior on entrepreneurial motivation. It is better if there are no citations in this section.

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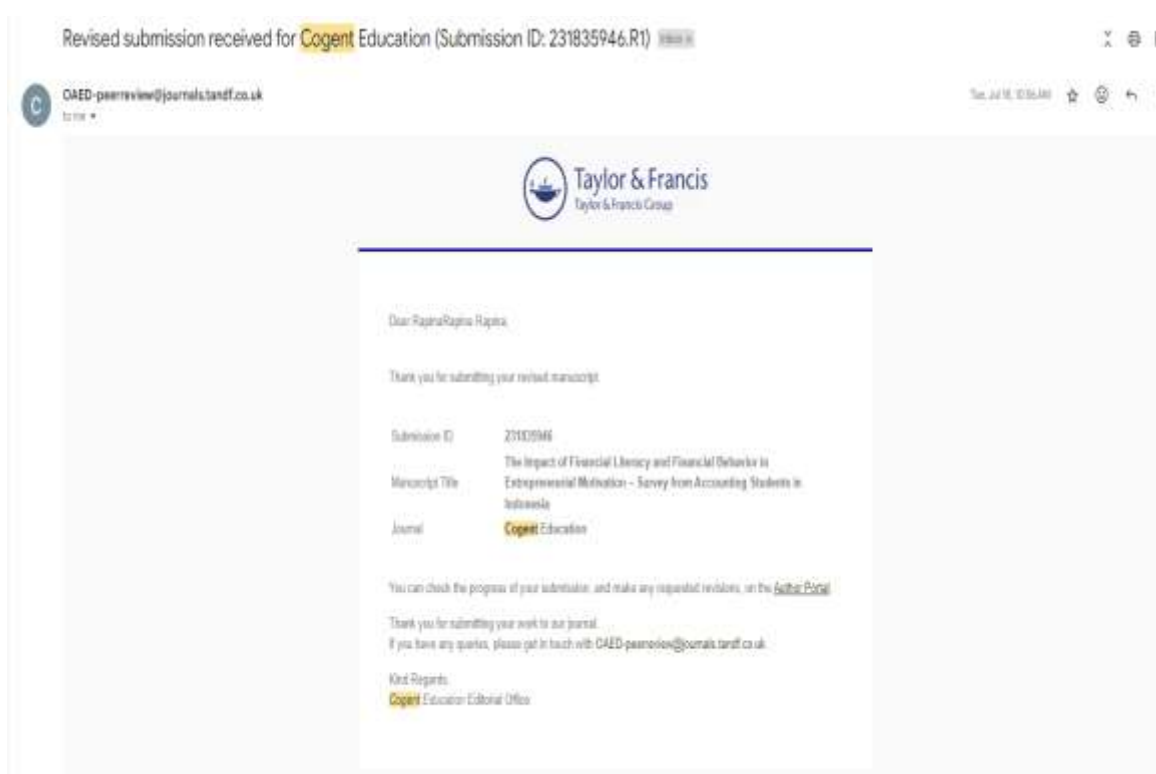
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The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation – Evidence from Indonesia

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Abstract

Entrepreneurship has been viewed as a catalyst for economic growth because it creates jobs and offers solutions to social issues. The government is trying to make entrepreneurship popularized among the public, especially in students in universities. This analysis aims to ascertain how financial behavior and literacy, particularly among accounting students at West Java universities, affect entrepreneurial motivation. In addition, this research also examined the level of financial literacy and the level of financial behavior in accounting students in West Java, Indonesia. This research employs a quantitative approach and the data were collected using a survey questionnaire. Partial Least Square Structural Equation Modelling (PLS-SEM) method were used to analyze data of 251 respondents of accounting students from universities in West Java, Indonesia. The study discovered a significant positive association between financial literacy and accounting students' financial behavior and their willingness to start their own business. The research also assessed the degree of financial literacy and financial behavior among participants who achieved a relatively strong overall outcome, along with the level of drive for entrepreneurship among respondents with a similarly elevated average performance. This research contributes to educators and educational institutions that it is very important to design an integrated educational curriculum to strengthen the entrepreneurial motivation of accounting students in Indonesia.

Keywords: financial literacy, financial behavior, entrepreneurial motivation, an accounting student, West Java universities



ABOUT THE AUTHOR

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Entrepreneurship is crucial for creating new prospects for economic growth because it creates jobs and offers solutions to social issues (Zarnadze, 2022; Kimmit & Munoz, 2017; Urbano & Aparicio, 2015), so that entrepreneurship education in tertiary institutions needs to be developed and taught to students effectively. Unfortunately, there are number of factors that hinder the development of entrepreneurial potential among Indonesian youth, one of which is the lack of financial literacy in individuals (Prasetyo, 2020; Napitupulu, 2021). Developing nations like Indonesia encourage students to engage in entrepreneurship and think about it as a career, because the emergence of entrepreneurship is significantly influenced by students (Karimi et al., 2014). Indonesia itself is a vast archipelago country where Java Island is one of the largest and most populous islands in Indonesia and even in the world. It is not surprising that Java Island is the center of economics and politics in Indonesia, and even the capital city of Indonesia itself is in Java Island (Dsikowitzky, 2019; Setyaningrum, 2022), so it is necessary to examine the entrepreneurial motivation of students on Java Island for Indonesia's economic development.

For their business to succeed, entrepreneurs need to have a solid understanding of finance. Entrepreneurs are defined as those who start enterprises, employ resources, take risks, and actively participate in business choices (Voda & Florea, 2019). Successful business owners must possess strong money management abilities (Ahmad et al., 2021). As previously explained that individual financial literacy is important in supporting entrepreneurship where financial literacy is knowledge or education in relation to money, assets, bank accounts, investments, credit, insurance, taxes, and how to use this financial information when making individual financial plans effectively. Financial competency can be increased through financial literacy, which also influences personal financial behavior (Akca et al., 2018; Te'eni Harari, 2016). Developing individual financial literacy requires a long process because it requires a lot of effort from the individual himself and from the institution surrounding the individual (Çera et al., 2021). Those that are financially literate will exhibit healthy financial behavior, such as when making long-term decisions like purchasing a new home or creating retirement plans (Blue et al., 2014). The entrepreneur's obligations in terms of business finance, investment, cash flow, and planning are tied to individual financial conduct (Jappelli & Padula, 2013). According to several studies, financial literacy influences individual financial behavior, and as a person's financial literacy increases, their ability to manage finances effectively also improves (Arofah et al., 2018; Akca et al., 2018).

Entrepreneurs must understand finance and possess financial skills prior to engage in business activities. The knowledge and abilities gained through education result in responsible financial behavior that can ultimately contribute to the successful operation of a business (Ahmad et al., 2021). The government has also paid special attention to improving the quality of entrepreneurship in Indonesia, for example through the school curriculum which has added lessons on entrepreneurship (Saptono et al., 2020). Unfortunately, in real life, there are many young entrepreneurs fail to manage their business. The success rate of young entrepreneurs was previously reported to be low (Fatoki, 2014). In addition, the study revealed that financial management practices were neglected while business production and marketing were given top priority (Fuller et al., 2018), and there are barriers to financing young entrepreneurs face (Musie, 2015).

Although financial behavior and financial literacy are crucial components of running a business, but there are still many entrepreneurs who can't run a business well in Indonesia (Prasetyo, 2020; Napitupulu, 2021), therefore this study seeks to close the gap by re-examining the relationship between financial literacy, financial behavior and entrepreneurial motivation of entrepreneurs who in this context are accounting students in West Java, Indonesia. To the best of the knowledge of the researcher, there is no research that directly links these three variables in one study and was conducted in Indonesia, especially on the island of Java. In addition, this research also examined the level of financial literacy and the level of financial behavior in accounting students in West Java, Indonesia.

This research has a significant contribution, both theoretically and practically. From a theoretical point of view, this research can help identify the key factors in financial literacy that have the most significant impact on entrepreneurial motivation. This can enable the development of literacy programs that are more focused and effective in encouraging interest in entrepreneurship. From a practical standpoint, this research can also help entrepreneurs make wiser decisions in managing their business finances. This can have an impact on reducing business risk and increasing the chances of success. The results of this research can provide a better understanding to the government and related institutions regarding how increasing financial literacy can support the growth of the entrepreneurial ecosystem. Policies that focus on financial education can create a more conducive environment for aspiring entrepreneurs.

2. Literature Review

The theory of reasoned action proposed by Ajzen and Fishbein (1977) has been used for the past two decades to study individual desires and behavior. This theory says that individuals have the intention or desire to perform an action that results in that individual's behavior. When someone already has high financial knowledge, he will tend to have good financial behavior and ultimately generate motivation for entrepreneurship. This is in accordance with the theory mentioned above, namely that a person's motivation arises from a person's intention to behave or the actual intention produces motivation to perform the action (Zarnadze et al., 2022). This study uses financial literacy and financial behavior that influence entrepreneurial motivation. Financial literacy actually consists of three dimensions, namely financial knowledge, financial attitude, and financial behavior, but in this study only financial knowledge (the name of the variable used is financial literacy) and financial behavior is used on the grounds that behavior and attitudes have a very close relationship (Çera et al., 2021) so the researchers decided to combine these into one variable (the name of the variable used is financial behavior).

2.1. Financial Literacy and Financial Behavior

Financial literacy is considered as a combination of knowledge, skills and self-efficacy and the decision-making process is influenced by individual knowledge which enables a person to transform knowledge into behavior (Çera et al., 2021). Financial knowledge is defined as an understanding of personal finance and the economy which includes knowledge of savings and investment, banking and insurance, taxes and debt (Khan et al., 2022). Through financial literacy, individuals learn to make long-term monetary choices, such as buying an unused domestic or making retirement plans, so monetary proficiency comprises of terms and data instructed for the monetary advancement of each person (Blue et al., 2014). Financial decision-making and financial management behavior includes things like creating budgets, paying bills on time, and appropriately managing savings (Bhushan & Medury, 2014; Kalekye & Mbah, 2015). It can be seen that individual financial knowledge is an important component to improve individual behavior in making financial decisions. Further exploration also revealed that financial knowledge influences individual financial behavior and decision making by individuals so that they are related to one another (Allgood & Walstad, 2016; Kalmi, 2018).

The financial knowledge of students, aged 18 and over, is very important because students at this age begin to lead an independent life, especially in terms of finances. Financial knowledge becomes essential when these students start spending their own money (Ahmad et al., 2021). Most students struggle to manage their money when they are entering college, they are beginning to live independently, and are getting their first taste of handling their own money (Shaari et al., 2013). College students' financial actions appear to have an impact on their future, which suggests that someone with inadequate financial literacy will experience financial difficulties in the future. Student's academic achievement, financial hardship, and capacity to find employment after graduation can all be affected by economic ignorance (Ahmad et al., 2021). Financial conduct is significantly affected by financial literacy. Research demonstrates that financial knowledge significantly affects financial behavior, which is a crucial component of financial literacy (Trunk & Dermol 2015). According to Xiao et al. (2014), sound financial management is what leads to financial security and a promising future. As a result, it is crucial for students to arm themselves with financial knowledge.

Thus, this research hypothesises that:

H1: Financial literacy is positively related to the financial behavior of accounting students.

2.2. Financial Behavior and Entrepreneurial Motivation

Entrepreneurship is an important matter that has received attention from the government because it can make an extraordinary contribution to the advancement of the economy, expansion of economic potential, and enhancement of societal well-being (Saptono et al., 2020). Entrepreneurship is encouraged among the younger generation, such as students from various universities. Entrepreneurial activities are related to financial activities in business where good financial behavior is needed in a business. Entrepreneurs that have strong financial management abilities promote business expansion. Entrepreneurs must therefore be backed by financial competence, one of which is the financial behavior required of them to manage their businesses successfully (Suparno & Saptono, 2018). The obligations of the entrepreneur in terms of business finance, investing, cash flow, and planning are related to behavioral finance. One of the financial skills necessary for the success and expansion of entrepreneurial businesses is behavioral finance. Education-based knowledge and skills enable responsible financial behavior (Jappelli & Padula, 2013).

Behavioral finance is about how a person makes financial decisions including financial planning, saving, budgeting, investing, and paying off debt (Greenberg & Hershfield, 2019; Çera et al., 2021). Financial behavior reveals the degree to which the entrepreneur is in control of the company's finances and budgeting, and sound financial behavior makes it easier to make wise choices, [whereas bad business management can be a hindrance in doing business. Entrepreneurs that practice effective financial conduct may comprehend comprehensive impact of financial choices on business outcomes \(Saifurrahman & Kassim, 2021\)](#). Therefore, having good financial knowledge and good financial behavior can also affect the younger generation to become entrepreneurs (Ahmad et al., 2021).

Based on the above description, this research hypothesises that:

H2: Financial behavior is positively related to entrepreneurial motivation of accounting students.

2.3. Financial Literacy and Entrepreneurial Motivation

Over the past decade, entrepreneurship has grown in importance as a social and economic issue and a world-renowned research topic. Entrepreneurship is becoming a very relevant instrument for increasing economic growth and

development in various countries. Entrepreneurial activities are introduced to the younger generation, especially students at universities. They are given financial competence to manage a business effectively (Saptono et al., 2020).

Our country is also starting to promote and disseminate knowledge about entrepreneurship more broadly. Starting from school to tertiary institutions, it is targeted to provide motivation and knowledge about the importance of entrepreneurship. This is so that when they graduate and immediately enter society, they will no longer be awkward in facing the business world or jobs that are hard to come by. Financial literacy is an important factor in this entrepreneurship (Utami & Wahyuni, 2022).

Educational institutions can develop fundamental entrepreneurial abilities to encourage student's entrepreneurial enthusiasm. This education gives financial knowledge and skills, improves student's financial literacy, and direct students to appropriate financial behaviors. This education encourages students to have high entrepreneurial motivation (Suparno & Saptono, 2018; Israr & Saleem, 2018). Insufficient understanding of financial matters creates challenges in making finance-related choices, and since entrepreneurs are obligated to make such decisions, it becomes imperative for them to possess financial literacy. Consequently, having a grasp of financial concepts positively influences business growth (Zhao & Li, 2021).

Based on the above description, this research hypothesises that:

H3: Financial literacy is positively related to the entrepreneurial motivation of accounting students

2.4. Financial Literacy and Entrepreneurial Motivation mediated by Financial Behavior

Financial literacy and financial behavior influence student's interest in entrepreneurship. These supporting factors are needed to foster student motivation for entrepreneurship (Ahmad et al., 2021). A person with good financial literacy will also tend to have good financial behavior and this will result in increased motivation for entrepreneurship, so that entrepreneurial motivation has a partial relationship with financial literacy because financial knowledge cannot be significantly related to entrepreneurial intentions without being transformed into finance-related behaviors or attitudes (Solesvik, 2013). Entrepreneurs who have received entrepreneurship education exhibit higher motivation compared to entrepreneurs without entrepreneurship education (Ahmad et al., 2021). Studying financial topics can improve financial attitudes and behavior (Cera et al., 2021) which in turn can create entrepreneurial motivation.

Research conducted by Alshebami & Marri (2022) says the same thing, namely financial literacy has an impact on financial behavior which ultimately increases people's intention to become entrepreneurs. Financial literacy significantly impacts various factors, including individual saving behavior (Shafinar et al., 2015). This means that the greater one's financial literacy, the greater one's level of savings, and the greater one's financial well-being (Gilenko and Chernova, 2021). Furthermore, due to individual financial literacy, savings increase, enabling people to start new businesses or expand existing businesses (Alshebami & Marri 2022).

Based on the above description, this research hypothesises that:

H4: Financial literacy has a positive relationship with accounting students' entrepreneurial motivation which is mediated by financial behavior



Figure 1. Research Model

3. Methodology

3.1. Participants

This research employed a quantitative research design and survey questionnaire was used to collect the data. This research was conducted between November 2022 and March 2023. Students studying accounting from the University of Java Island in Indonesia made up the study's population. Purposive sampling was the method of sampling utilized in this study, and the target respondents were those who met specific practical requirements, such as proximity to the study's location and willingness to participate. Researchers asked lecturers at the university for permission to distribute questionnaires to students at the university. Researchers also entrusted questionnaires to known lecturers or to students, then they helped distribute the questionnaires at their respective universities. The respondents collected were 251 accounting students and all respondents gave consent that the data provided would be published for scientific purposes. These respondents were final year students who had better financial literacy than other students. The sample of students is also considered the most relevant to this study because based on their understanding of finance and business, students are regarded as a prospective entrepreneurial population (Ahmad et al., 2019).

3.2. Instrumentations

A structured questionnaire with four components was used to gather primary information for the independent and dependent variables. The first part deals with the respondent's profile, the second part deals with financial literacy,

the third part deals with financial behavior and the fourth part deals with entrepreneurial motivation. All questions used a 5-point Likert scale from “strongly disagree” (1) to “strongly agree” (5).

The questionnaire survey used in this study was adopted from the OECD report (2011) as well as Atkinson and Messy (2012) to quantify financial literacy and financial behavior, while to quantify entrepreneurial motivation was adopted from Ahmad et al. (2021). Questionnaires were distributed online to students with consideration of the ease of obtaining data at the end of 2022 which is a pandemic transition period.

3.3. Validity and Reliability

The study instrument was already validated by the previous research. Validity testing is carried out by testing convergent validity and discriminant validity to ensure that the indicators used to measure constructs are valid. Convergent validity was measured using AVE (average variance extracted). An AVE value of more than 0.50 indicates that on average, the construct explains more than half of the variance of the indicators. Discriminant validity is the degree to which a construct is completely different from a construct based on empirical standards. The method for testing discriminant validity is based on cross loadings of indicators, with of acceptable outer loading value is greater than 0.7. Consistency reliability testing uses the Cronbach's alpha value and the composite reliability value where the Cronbach's alpha value is at least 0.7 and the composite validity value is at least 0.7 (Hair et al., 2014).

3.4. Data analysis

The analysis uses structural equation modeling with an alternative partial least square method. The reason for using structural equation modeling is because the variables being studied are not measured directly but are measured through several indicators. The Structural Model used as a data assessment in the first PLS-SEM by measuring collinearity to predict endogenous constructs or indicators with a determination assessment (R^2) (Hair et al., 2019).

Data availability

Underlying data

Figshare: Dataset survey on Accounting Students from 251 respondents. <https://doi.org/10.6084/m9.figshare.22331161.v1> (Rapina et al., 2023).

This project contains the following underlying data:

- Questionnaire results from 251 accounting students.

4. Results

Table 1 present some background information regarding the respondents as well as the financial and entrepreneurship courses attended by respondents. There were a total number of 252 respondents, of which 23% were male, and 77% were female. The majority of respondents (62%) were between 21 and 25 years old. In relation to findings on the courses attended, results showed that 92% of respondents had attended a course on financial, and 92% of respondents said that they had attended an entrepreneurship course.

Table 1. The demographic profile of respondents

Variable	Frequency (n)	Percentage (%)
Gender		
Male	59	23
Female	193	77
Total	252	100
Age		
16 - 20 years old	74	29
21 - 25 years old	156	62
26 - 30 years old	15	6
> 30 years old	7	3
Total	252	100
Attended Financial Course		
Yes	231	92
No	21	8
Total	252	100
Attended Entrepreneurship Course		
Yes	231	92
No	21	8

6.1. Descriptive analysis

Interpretation of data from respondents' responses can be used to enrich the discussion, through pictures of respondents' responses it can be seen how the condition of each variable indicator being studied. In order to make it easier to interpret the variables being studied, the average score of the respondents' answers was calculated. Below are the descriptive results of the analysis in this study.

Table 2. Financial Literacy Descriptive Statistics

Code of indicator	Indicator	N	Mean
FL_01	I understand my current financial situation.	252	3,91
FL_02	I understand the risk of using a credit card.	252	3,69
FL_03	All types of investment are profitable.	252	3,66
FL_04	Buying insurance is important for protection in the future.	252	3,64
FL_05	I am certain about where my money is spent.	252	4,02
FL_06	Investment is important.	252	4,22
FL_07	I set long-term financial goals and strive to achieve them.	252	3,91
FL_08	I tend to do financial planning for my financial well-being.	252	4,09
FL_09	I am prepared to risk some of my own money when making an investment.	252	3,90
FL_10	I find it more satisfying to save money for future undertakings.	252	4,01
Overall			3,90

Most accounting students at universities spread across Java Island already have good financial literacy with an average total score of 3.90 on a scale of 1-5. The highest financial literacy is regarding the importance of investment, with a typical rating of 4.22. This shows accounting students understand that investing their money wisely can generate potential growth and increased financial security over time. Conversely, the lowest financial literacy is regarding the importance of insurance for future protection, with a typical overall rating of 3.64. Accounting students are not yet aware of the importance of insurance because they lack personal experience that emphasizes the importance of insurance and lack of education or campaigns about the importance of insurance.

Table 3. Financial Behavior Descriptive Statistics

Code of indicator	Indicator	N	Mean
FB_01	I have a life insurance policy.	252	3,79
FB_02	I prepare a budget every month.	252	3,97
FB_03	I maintain adequate financial records.	252	3,35
FB_04	I contribute to an investment account.	252	3,62
FB_05	I keep track of my expenses on a regular basis.	252	3,86
FB_06	I get cash advances from my debit card.	252	3,28
FB_07	I plan and implement a regular savings programme.	252	3,96
FB_08	I compare prices when shopping for purchases.	252	3,76
FB_09	I keep a close personal watch on my financial affairs.	252	3,27
FB_10	I read to increase my financial knowledge.	252	3,62
Overall			3,65

In general, accounting students at universities spread across Java Island already have good financial behavior with a typical overall rating of 3.65 on a scale of 1-5. The best financial behavior is in terms of preparing a budget every month, with a typical rating of 3.97. Accounting students are aware of the importance of making a budget for their finances, this implies that they have an understanding of finances and they control expenses so they can avoid excessive spending. On the other hand, the worst financial behavior is in monitoring one's own financial affairs continuously, with a typical overall rating of 3.27. Accounting students lack constant monitoring of their financial condition because doing so is time-consuming, tiring and can create undue anxiety.

Table 4. Entrepreneurship Motivation Descriptive Statistics

Code of indicator	Indicator	N	Mean
EM_01	Instill entrepreneurial motivation.	252	3,60
EM_02	Preparing financial reports.	252	3,70
EM_03	Managing working capital.	252	3,67
EM_04	Preparing sufficient cash flows.	252	4,28
EM_05	Solving financial problems.	252	3,98
EM_06	Dealing with financial debts.	252	3,21
EM_07	Understanding financial reports.	252	3,58
EM_08	Estimating cost of a product.	252	3,61
EM_09	Allocating financial resources.	252	3,85
EM_10	Budgeting and planning financial resources.	252	4,31
Overall			3,78

In general, accounting students at universities spread across Java Island already have high entrepreneurial motivation with a typical overall rating of 3.78 on a scale of 1-5. The highest motivation is in terms of the habit of budgeting and planning financial resources to run a business, with a typical rating of 4.31. Accounting students are highly motivated by the idea of adopting the habit of budgeting and planning financial resources to run a business. Conversely, the lowest motivation is in terms of the habit of dealing with funding or debt for businesses, with a typical rating of 3.21. Accounting students do not understand business financing or debt due to a lack of education and understanding of business funding and debt management strategies as well as a lack of experience in this matter.

6.2. Verification analysis

To prove whether financial literacy and financial behavior affect entrepreneurship motivation, a test is carried out using structural equation modeling with an alternative partial least square method. In SEM-PLS there are two sub-models, namely the outer model and the inner model.

6.2.1. Outer model

The outer model or measurement model is a model that connects latent variables with manifest variables. In this study there were 3 latent variables with a total of 30 manifest variables (indicators). The following is the result of analysis of data processing using Warp PLS 7.0 along with an explanation of the convergent validity and discriminant validity tests.

Table 5. Loadings Factor of Each Latent Variable Indicator

Latent Variable	Loadings Factor (Indicator)										CR	CA	AVE
	1	2	3	4	5	6	7	8	9	10			
FL	0,770	0,773	0,821	0,829	0,748	0,755	0,729	0,781	0,720	0,711	0,933	0,921	0,584
FB	0,566	0,620	0,674	0,846	0,673	0,733	0,739	0,857	0,761	0,857	0,922	0,905	0,546
EM	0,845	0,842	0,861	0,810	0,726	0,587	0,903	0,855	0,751	0,830	0,948	0,938	0,649

In table 5, the indicators have loading factors that are less than 0.7 is advised to be removed from the model. (Hair et al., 2014). With the removal of the indicator from the model with a loading factor of less than 0.7, the outcomes of the new outer model are as follows.

Table 6. Loadings Factor and Cross Loading Each Latent Variable Indicator

Indicator	FL	FB	EM
FL ₀₁	0,770	0,555	0,619
FL ₀₂	0,773	0,675	0,692
FL ₀₃	0,821	0,580	0,720
FL ₀₄	0,829	0,684	0,718
FL ₀₅	0,748	0,579	0,574
FL ₀₆	0,755	0,426	0,659
FL ₀₇	0,729	0,433	0,559
FL ₀₈	0,781	0,548	0,730

FL ₀₉	0,720	0,487	0,587
FL ₁₀	0,711	0,588	0,567
FB ₀₄	0,705	0,847	0,788
FB ₀₆	0,494	0,790	0,476
FB ₀₇	0,593	0,717	0,587
FB ₀₈	0,652	0,899	0,737
FB ₀₉	0,492	0,801	0,503
FB ₁₀	0,633	0,843	0,743
EM ₀₁	0,676	0,657	0,840
EM ₀₂	0,685	0,787	0,842
EM ₀₃	0,705	0,703	0,865
EM ₀₄	0,697	0,468	0,838
EM ₀₅	0,678	0,600	0,720
EM ₀₇	0,722	0,737	0,896
EM ₀₈	0,671	0,730	0,842
EM ₀₉	0,725	0,608	0,744
EM ₁₀	0,743	0,568	0,861
CR	0,933	0,924	0,952
CA	0,921	0,900	0,942
AVE	0,584	0,669	0,687

In table 6, all indicators have a loading factor greater than 0.7 and are declared valid. The composite reliability (CR) of each latent variable is also greater than 0.7 indicating that these indicators are reliable for gauging the corresponding latent variables.

In the financial literacy latent variable, the FL04 indicator (purchasing essential insurance for future protection) has the greatest loading factor. This information demonstrates that the latent variable of financial literacy is most strongly reflected by the importance of insurance for future protection. On the other hand, the FL10 indicator (more satisfied to save money for a business or activity in the future) is the weakest in reflecting the latent variable of financial literacy. The average variance extracted (AVE) value of 0.584 indicates that the latent variable financial literacy can reflect, on average, 58.4% of the data from each indicator.

In the financial behavior latent variable, the FB08 indicator (likes to compare prices or price surveys when shopping) has the greatest loading factor. This data shows that comparing prices or price surveys when shopping is the most strongly in reflecting financial behavior variables. On the other hand, the FB07 indicator (planning and implementing a regular savings program) is the weakest in reflecting latent financial behavior variables. The average variance extracted (AVE) value of 0.669 indicates that on average 66.9% of the information contained in each indicator can be reflected through financial behavior latent variables.

In the entrepreneurship motivation latent variable, the EM07 indicator (understanding business-related financial reports) has the greatest loading factor. This data shows that understanding of financial statements related to effort is strongest in reflecting entrepreneurship motivation. On the other hand, the EM05 indicator (accustomed to solving financial problems) is the weakest in reflecting the latent variable entrepreneurship motivation. The average variance extracted (AVE) value of 0.687 indicates that on average 68.7% of the information contained in each indicator can be reflected through the latent variable entrepreneurship motivation.

The next test is discriminant validity through cross loading, according to Hair et al. (2014) the presence of cross loading which is greater than outer loading indicates a discriminant validity problem. In table 5, the loading factor values of each construct (latent variable) with their own indicators are higher than the indicators on other latent variables. This data shows that there is no discriminant validity's problem, because each indicator has a stronger relationship with its own construct than with other constructs.

In addition, researchers have also examined the problem of multicollinearity between the indicators used in this study and the result is that there is no multicollinearity between indicators in the variables used. Statistical results show that the Average VIF (AVIF) value in this study is 2,668. A VIF value of 5 or more indicates a critical collinearity problem between the indicators of the formatively measured constructs. However, collinearity problems can also occur at VIF values lower than 3. Ideally, VIF values should be close to 3 and lower (Hair et al., 2019). It can be concluded that in this study there is no multicollinearity problem.

6.2.2. Inner model

The inner model is a model that links exogenous latent variables with endogenous latent variables, or the relationship between endogenous variables and other endogenous variables. In this study, the exogenous variables were Financial Literacy (FL) and Financial Behavior (FB), while the endogenous variables in this study were Entrepreneurship Motivation (EM). The inner model relationship in this study can be seen in Figure 2 below.

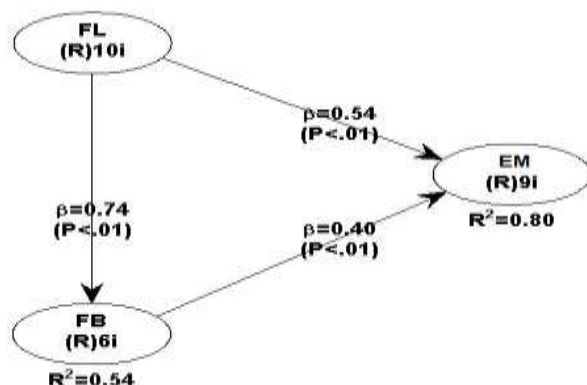


Figure 2. Model Results

On Tabel 7 it can be seen through R^2 that financial literacy has an influence of 54.2% on financial behavior. Then financial behavior has an influence of 68.5% on entrepreneurship motivation. The Q^2 value is a predictive relevance value, because $Q^2 > 0.35$ indicates that the structural model obtained has strong predictive usefulness.

Table 7. Summary of Structural Model Results

Hypothesis	Path	Coefficient	Contribution	t-statistics	p-value	R ²	Q ²	Decision
H1	FL --> FB	0,736	0,542	13,143	<0,001	0,542	0,545	Accepted
H3	FL --> EM	0,545	0,468	9,561	<0,001	0,796	0,797	Accepted
H2	FB --> EM	0,397	0,328	6,729	<0,001			Accepted
H4	FL --> FB --> EM	0,292	0,292	6,952	<0,001			Accepted

The Influence of Financial Literacy on Financial Behavior

The first hypothesis to be tested is the effect of financial literacy (FL) on financial behavior (FB). Table 6 demonstrates that the path coefficient of financial literacy on financial behavior has a positive sign with $t_{\text{statistic}}$ value of 13.143 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value is <0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial literacy has a positive effect on financial behavior. The results of this study provide empirical evidence that better financial literacy will increase the financial behavior of university accounting students spread across Java.

The Influence of Financial Behavior on Entrepreneurship Motivation

The second hypothesis to be tested is the effect of financial behavior (FB) on entrepreneurship motivation (EM). Table 6 demonstrates that the financial behavior path coefficient on entrepreneurship motivation is positive with $t_{\text{statistic}}$ value of 6.729 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value is <0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial behavior has a positive effect on entrepreneurship motivation. The results of this study provide empirical evidence that better financial behavior will increase entrepreneurship motivation among university accounting students across Java.

The Influence of Financial Literacy on Entrepreneurship Motivation

The third hypothesis to be tested is the effect of financial literacy (FL) on entrepreneurship motivation (EM). In table 6 it can be seen that the path coefficient of financial literacy on entrepreneurship motivation has a positive sign with a statistical value of 9,561 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value is <0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial literacy has a positive effect on entrepreneurship motivation. The results of this study provide empirical evidence that better financial literacy will increase entrepreneurship motivation among university accounting students across Java.

The Influence of Financial Literacy on Entrepreneurship Motivation Mediated by Financial Behavior

The fourth hypothesis to be tested is the influence of financial literacy (FL) on entrepreneurship motivation (EM) mediated by financial behavior (FB). Table 6 demonstrates that the path coefficient of financial literacy mediated by financial behavior towards entrepreneurship motivation has a positive sign with $t_{\text{statistic}}$ value of 6.952 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value is < 0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial literacy mediated by financial behavior has a positive effect on entrepreneurship motivation. The results of this study provide empirical evidence that good financial literacy will improve financial behavior and finally increase entrepreneurship motivation among university accounting students across Java.

7. Discussion

This study describes the effect of financial literacy and financial behavior on entrepreneurial motivation in accounting students in West Java, Indonesia. The study's findings indicate that accounting students in West Java have financial literacy that is quite good, above average. The conclusion of this study is in accordance with the findings of Ahmad et al. (2021) which explains that accounting students have a fairly good level of financial literacy compared to students of other majors. The respondent's data shows that good financial literacy can be seen in the awareness of accounting students who consider investment to be important. Students' financial decisions affect their future, and those with inadequate financial literacy will likely experience financial difficulties down the road. This will be different from students who are aware of the importance of investing because by investing, students will have sufficient finances in the future. *By investing means they understand the importance of saving, this is in line with what previous research said that individuals with good financial knowledge will have a saving awareness (Bhushan & Medury, 2014; Kalekye & Memba, 2015).* According to earlier studies, students who have a strong grasp of finance are more likely to be conscious of their financial situation that investment is good for dealing with financial problems in the future (Ali et al., 2022). However, there are also findings which say that students from accounting or business backgrounds have an understanding of finance that is no better than students from other majors. This implies that financial education still needs to be improved in educational institutions (Ahmad et al., 2019).

Regarding student financial behavior, the respondent's data shows that accounting students are aware of the importance of making a budget every month. A good budget or financial plan must be used to achieve long-term financial targets. This is in accordance with research conducted by Greenberg & Hershfield (2019) which says that individuals with good financial behavior will also have the ability to make good financial decisions, one of which is aware of the importance of making a budget. *Students are considered to manage their finances well if they have sufficient financial knowledge, so that there is a relationship between financial literacy and financial behavior (Trunk & Dermol 2015).* Hence, when students are aware of and knowledgeable about finances, they may make wise financial judgments. This can be seen in the potential of students in managing their personal finances such as having investments and insurance. This study supports other studies that show how financial literacy affects students' financial behavior (Akca et al., 2018; Arofah et al., 2018; Te'eni Harari, 2016; Voda & Florea, 2019). This finding is also in line with the findings of Çera et al. (2021) who said individual financial knowledge is an important component in making decisions in financial matters, so that there is a strong relationship between financial knowledge and financial practice. However, research conducted by Kaiser & Menkhoff (2017) says something different, namely financial literacy does not affect financial behavior in micro-entrepreneurs, especially for those with low incomes.

Regarding entrepreneurship, data shows that financial behavior has a significant relationship to entrepreneurial motivation in accounting students in West Java. This is consistent with previous findings which state that students with good financial behavior in managing their personal finances will also have high motivation to become entrepreneurs (Jappelli & Padula, 2013; Ahmad et al., 2021). *To sustain their business in the future when they become entrepreneurs, students must be prepared with financial knowledge and entrepreneurial abilities (Suparno & Saptono, 2018).* Entrepreneurs are described as individuals who create businesses, use assets, take business risks and are active in making business decisions (Voda & Florea, 2019). To achieve business success, entrepreneurs must also be equipped with good financial management skills (Ahmad et al., 2021). *Data shows that the highest motivation for entrepreneurship is in terms of the habit of budgeting and planning financial resources to run a business, how the company's financial resources will be managed, allocated, and utilized to achieve its goals and objectives. This means that students have good financial behavior according to research conducted by Greenberg & Hershfield (2019) which says that those who have good financial behavior will budget well.* These findings align with earlier studies which explains that students who have good financial management skills will be successful in making decisions regarding budgeting and allocating resources in implementing business strategies (Conneely, 2010; Çera et al., 2021). This shows that financial behavior and entrepreneurial motivation are strongly correlated.

Furthermore, financial literacy has a significant relationship with entrepreneurial motivation among accounting students which is mediated by financial behavior. Because financial literacy must be translated into financial-related actions to be significantly connected to entrepreneurial aspirations, there is a partial association between entrepreneurial motivation and financial literacy (Ahmad et al., 2021; Solesvik, 2013). Studying financial topics can improve financial attitudes and behavior (Cera et al., 2021) which in turn can create entrepreneurial motivation, so that financial behavior acts as a mediation between financial literacy and entrepreneurial motivation. The findings of this study show that among accounting graduates, financial literacy and entrepreneurial motivation are significantly correlated. Previous research has shown that students with high levels of financial literacy had more entrepreneurial desire than students with low levels of financial literacy, which is consistent with the present conclusion (Valencia et al.,

2015). Students with high literacy levels have good financial knowledge and can take effective actions in starting their business. The same thing was stated by Alshebami & Marri (2022), namely that students who have good financial knowledge will have supportive financial behavior to start a business. A crucial managerial skill for entrepreneurs in deciding the success of their businesses is financial literacy. The competence of the business owner to manage finances determines the profitability of a company. In this case, entrepreneurs certainly have good knowledge of finance first and then carry out financial management to achieve business success (Akca et al., 2018; Jappelli & Padula, 2013). This is consistent with previous findings which state that students with good financial knowledge will tend to have good business motivation through behaviors or attitudes that support this knowledge (Suparno & Saptono, 2018; Israr & Saleem, 2018).

8. Conclusion, implication, limitation, and recommendations for future research

Accounting students in West Java, Indonesia have a fairly good average level of financial literacy where they understand the importance of investment. The data shows that students have an awareness of the importance of making an investment and they can make a financial budget for their financial life quite well. Accounting students in West Java, Indonesia also have a fairly high average level of financial behavior where they are aware of the importance of making a budget for their finances, this implies that they have an understanding of finances and they control expenses so they can avoid excessive spending. With a fairly good level of financial literacy and level of financial behavior, students must have high entrepreneurial motivation.

From the results of this study, it can be concluded that financial literacy has a significant relationship with financial behavior, financial behavior has a significant relationship with entrepreneurial motivation, and finally financial literacy has a significant relationship with entrepreneurial motivation through financial behavior. These results are supported by previous research which concluded that financial literacy and financial behavior have a significant relationship to entrepreneurial motivation.

Based on the findings of this study, there are several suggested implications. Young entrepreneurs must develop their financial skills to succeed in company in Indonesia since financial literacy is a crucial component of entrepreneurship among young entrepreneurs and has a significant impact on good financial behavior. Therefore, education in finance and entrepreneurship should be noted in academic institutions. Universities should provide a range of finance courses, seminars, and training sessions that are centered on developing financial management skills and disseminating sound financial advice. Through financial education courses or seminars on financial topics, students of all ages, educational backgrounds, and majors can improve their financial understanding. The data shows that although accounting students have attended several entrepreneurship courses, this experience does not make a significant contribution to entrepreneurial motivation. Universities must therefore update their course offerings to encourage students to start their own businesses. To increase students' entrepreneurial motivation, higher education institutions should design more integrated educational curricula and policymakers should provide efficient policy procedures.

In addition, entrepreneurship education in Indonesia must involve the latest materials that are relevant to the fourth industrial era. This will equip students with superior entrepreneurial knowledge and entrepreneurial mindset. In addition, the entrepreneurship model must use life-based learning, such as inviting entrepreneurs' success stories or company visits, which will improve students' entrepreneurial mindset and intention to become entrepreneurs. Schools also need to bring in successful entrepreneurs to share experiences, from starting up to developing their businesses. For the government and stakeholders, it is necessary to become a mediator for schools in collaboration with the business world and the industrial world. This is an effective way to control and contribute to the birth of new entrepreneurs.

This study has limitations, including the fact that the sample used was limited to university students. Future studies are anticipated to use a wider sample from all Indonesian colleges with accounting departments. Moreover, there were no comparisons between accounting and non-accounting students in this study. Future studies could evaluate financial literacy, financial behavior, and entrepreneurial motivation among accounting students and non-accounting students by including non-accounting students. In addition, subsequent research can use qualitative research design or a mixture of qualitative and quantitative to produce more detailed and complete findings.

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The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation – Evidence from Indonesia

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Comments of reviewer 1	Author Amendment
<p>TITLE:</p> <p>The revised version is more acceptable. However, I recommend revising it with the aim to remove “Accounting Students” from the title.</p>	<p>The author has revised it.</p> <p>The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation – Evidence from Indonesia</p>
<p>ABSTRACT:</p> <p>It is improved; however, I feel that there is an issue of running the analysis in a non-random sampling. From a rigor methodological perspective, you should not run PLS-SEM in a purposive sampling. You cannot draw any conclusion based on the analysis of the data collected following a purposive sampling. THIS IS A HUGE CONCERN.</p>	<p>The author follows a book source which says research using PLS SEM can be carried out using the purposive sampling data collection method (Variety of Analysis in Research Methods written by Prof. Dr. Umi Narimawati, Dra., S.E., M.Sc., Jonathan Sarwono, S. Sos., M.Hum., Prof. Dr. H. Azhar Affandi, S.E., M.Sc. - 2020).</p> <p>In addition, the authors found several books and studies using PLS SEM and the purposive sampling method, including:</p> <ol style="list-style-type: none"> 1. International Perspective on Value Creation and Sustainability Through Social Entrepreneurship (Magd, Hesham, Singh, Dharmendra, Syed, Raihan Taqui, 2022) 2. Understanding the Impact of the Psychological Cognitive Process on Student Learning Satisfaction: Combination of the Social Cognitive Career Theory and SOR Model (Guihua Zhang, Xiaoyao Yue, Yan Ye, Michael Yao – Ping Peng, 2021) 3. Challenges and Opportunities for SMEs in Industry 4.0 (Ahmad, Noor Hazlina, Iqbal, Qaisar, Halim, Hasliza Abdul, 2020) <p>But the author also asks for suggestions from the reviewers for this matter, what should the writer do for this matter.</p>
<p>INTRODUCTION:</p> <p>I am not satisfied with the improvements in Introduction. I was expecting to read some lines that identify the theoretical gap in the research. Thus, yet again, please try to justify the research from theoretical and practical needs.</p>	<p>The author has added it:</p> <p>Although financial behavior and financial literacy are crucial components of running a business, but there are still many entrepreneurs who can't run a business well in Indonesia (Prasetyo, 2020; Napitupulu, 2021), therefore this study seeks to close the gap by re-examining the relationship between financial literacy, financial behavior and entrepreneurial motivation of entrepreneurs who in this context are accounting students in West Java, Indonesia. To the best of the knowledge of the researcher, there is no research that directly links these three variables in one study and was conducted in Indonesia, especially on the island of Java. In addition, this research also examined the level of financial literacy and the level of financial behavior in accounting students in West Java, Indonesia.</p> <p>This research has a significant contribution, both theoretically and practically. From a theoretical point of view, this research can help identify the key factors in financial literacy that have the most significant impact on entrepreneurial motivation. This can enable the development of literacy programs that are more focused and effective in encouraging interest in entrepreneurship. From a practical standpoint, this research can also help entrepreneurs make wiser decisions in managing their business finances. This can have an impact on reducing business risk and increasing the chances of success. The results of this research can provide a better understanding to the government and related institutions regarding how increasing financial literacy can support the growth of the entrepreneurial ecosystem. Policies that focus on financial education can create a more conducive environment for aspiring entrepreneurs.</p>

<p>Literature review</p> <ul style="list-style-type: none"> ▪ I still do not find sound connections between financial behaviour and literacy with entrepreneurial motivation. I would like to read more on theoretical linkages between them. Which is the theory that can explain such relationships? Please elaborate more on this. ▪ I am struggling to find any reason why you cite Jappelli & Padula (2013) at the end of this sentence “The desire of students to launch new firms is affected by financial behavior and financial knowledge.” Jappelli & Padula (2013) did not say that. How you defend this claim? ▪ Can you please cite the source of this statement below? Where are you based to write it? “Entrepreneurs that practice effective financial conduct may comprehend the overall effect of financial decisions on business performance.” • H4 should be formulated after a theoretical discussion. As it is, cannot be accepted. 	<ul style="list-style-type: none"> • The author has added it. • The author has revised it. • The author has added it. • The author has added the theoretical discussion for H4. Research conducted by Alshebami & Marri (2022) says the same thing, namely financial literacy has an impact on financial behavior which ultimately increases people's intention to become entrepreneurs. Financial literacy significantly impacts various factors, including individual saving behavior (Shafinar et al., 2015). This means that the greater one's financial literacy, the greater one's level of savings, and the greater one's financial well-being (Gilenko and Chernova, 2021). Furthermore, due to individual financial literacy, savings increase, enabling people to start new businesses or expand existing businesses (Alshebami & Marri 2022).
<p>Methodology / Materials and Methods – overall evaluation</p> <p>APPLYING THE PURPOSIVE SAMPLING IS A WEAKNESS FOR YOUR STUDY. The interpretation should be done only for the respondents and not for all students. Please, interpret the results with caution. You said that “researchers have ensured that the results of this study are only concluded to the extent of the respondents used, so they cannot be generalized,” but in fact you keep interpreting the results following a generalisation type of language. Please fix this issue.</p>	<p>The author follows a book source which says research using PLS SEM can be carried out using the purposive sampling data collection method (Variety of Analysis in Research Methods written by Prof. Dr. Umi Narimawati, Dra., S.E., M.Sc., Jonathan Sarwono, S. Sos., M.Hum., Prof. Dr. H. Azhar Affandi, S.E., M.Sc. · 2020).</p> <p>In addition, the authors found several books and studies using PLS SEM and the purposive sampling method, including:</p> <ol style="list-style-type: none"> 1. International Perspective on Value Creation and Sustainability Through Social Entrepreneurship (Magd, Hesham, Singh, Dharmendra, Syed, Raihan Taqui, 2022) 2. Understanding the Impact of the Psychological Cognitive Process on Student Learning Satisfaction: Combination of the Social Cognitive Career Theory and SOR Model (Guihua Zhang, Xiaoyao Yue, Yan Ye, Michael Yao – Ping Peng, 2021) 3. Challenges and Opportunities for SMEs in Industry 4.0 (Ahmad, Noor Hazlina, Iqbal, Qaisar, Halim, Hasliza Abdul, 2020) <p>But the author also asks for suggestions from the reviewers for this matter, what the writer should do for this matter.</p>
<p>It is written that “All questions used a 5-point Likert scale from “strongly disagree” (1) to “strongly agree” (5),” and you cite OECD and Atkinson & Messy (2012) as a source. I think this is not correct. The two cited sourced did not use such measures. Please double check.</p>	<p>These are two separate statements. the first intention of the author is the use of a Likert scale in the questionnaire. the second statement is the questionnaire items taken from research conducted by OECD and Atkinson & Messy. Now these two statements have been separated by paragraphs.</p>
<p>DISCRIMINANT VALIDITY – You wrote in the manuscript “The method for testing discriminant validity is based on cross loadings of indicators, with of acceptable outer loading value is greater than 0.7.” A rigor procedure that can be followed to test for</p>	<p>The author uses Warp PLS 7.0 software to process data in this study, which to the author's knowledge the software does not have a built-in function that can directly be used to calculate the Heterotrait-Monotrait Ratio of Correlations (HTMT). The author also</p>

discriminant validity when using PLS-SEM is HTMT approach. Read carefully: Hair, J.F., Risher, J.J., Sarstedt, M. and Ringle, C.M. (2019), "When to use and how to report the results of PLS-SEM", European Business Review, Vol. 31 No. 1, pp. 2–24.	asks for suggestions from reviewers in this regard.
Objective / Hypothesis More discussion in developing the hypothesis is needed. The discussion for H4 is missing at all.	The author has added discussion for developing H4.
Figures and Tables What do these numbers mean in Table 1, last row: "29, 64, 397, 1658, 372, 2520." It should be average instead of sum. Same for the two following tables.	The author has revised the table and the content.
Results / Data Analysis I will rewrite my comment: While mentioning that "The majority of responders (91.3%) were under the age of 25", please try to bring some comparison with actual distribution of the students, particularly by gender. If the share of female students is around 70%, then it can be used as a justification that your sample correspond to the actual distribution of students by gender.	The author has also included a demographic table for respondents in Table 1.
The mediating effect is not interpreted correctly. Please read carefully the chapter on "mediating" in the book of Hair, J.F., Sarstedt, M., Ringle, C.M., Gudergan, S.S., 2017. Advanced issues in partial least squares structural equation modeling. SAGE, Los Angeles.	The author has added discussions in developing H4.
Interpretation / Discussion I see that in the discussion you have mentioned the mediation effect. Given this case, I would suggest adding a discussion in the literature review with the aim to justify such effect.	The author has added discussions in developing H4.

Comments of reviewer 2	Author Amendment
ABSTRACT The abstract has been well presented by including background, research methodology, research results, and some suggestions for educators and educational institutions so that entrepreneurship education can develop among accounting students. However, the author needs to convey information regarding the extent of each variable from the results of the descriptive analysis.	The author has added it in abstract. The research also assessed the degree of financial literacy and financial behavior among participants who achieved a relatively strong overall outcome, along with the level of drive for entrepreneurship among respondents with a similarly elevated average performance.
INTRODUCTION The research background is strong enough to convey the importance of this research. Besides that, the author has also explained about the novelty of this study. However, the author needs to convey the source of the last paragraph of the introduction "... but there are still many entrepreneurs who can't run a business well in Indonesia (Source, year).	The author has added it: but there are still many entrepreneurs who can't run a business well in Indonesia (Prasetyo, 2020; Napitupulu, 2021)
LITERATURE REVIEW The author has presented the grand theory well by citing the work of Ajzen and Fishbein (1977); Zarnadze e al. (2022) and others. The grand theory is complete and meets the required scientific principles. In fact, financial literacy consists of three parts, namely	The following is the operational definition of financial literacy that the authors use in this study:

financial knowledge, financial attitude, and financial behavior (OECD-INFE (2012) and has been supported by Yanto et al. (2021). The author needs to provide an operational definition of financial literacy used in this study.	
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The following is the operational definition of financial literacy that the authors use in this study:

Variabel	Dimensi	Indikator	Item
Financial Literacy	Knowledge (Çera et al., 2021 ; Khan et al., 2022)	understanding personal finance	1
		understanding investment is profitable	4
		certain where the money is spent	5
		understanding the imporatnce of investment	6
	Skill (Blue et al., 2014; Bhushan & Medury, 2014; Kalekye & Mbah, 2015)	decision making process	2
		buying insurance for future	3
		setting long-term financial goal	7
		making financial planning	8
		making investment	9
		saving money	10

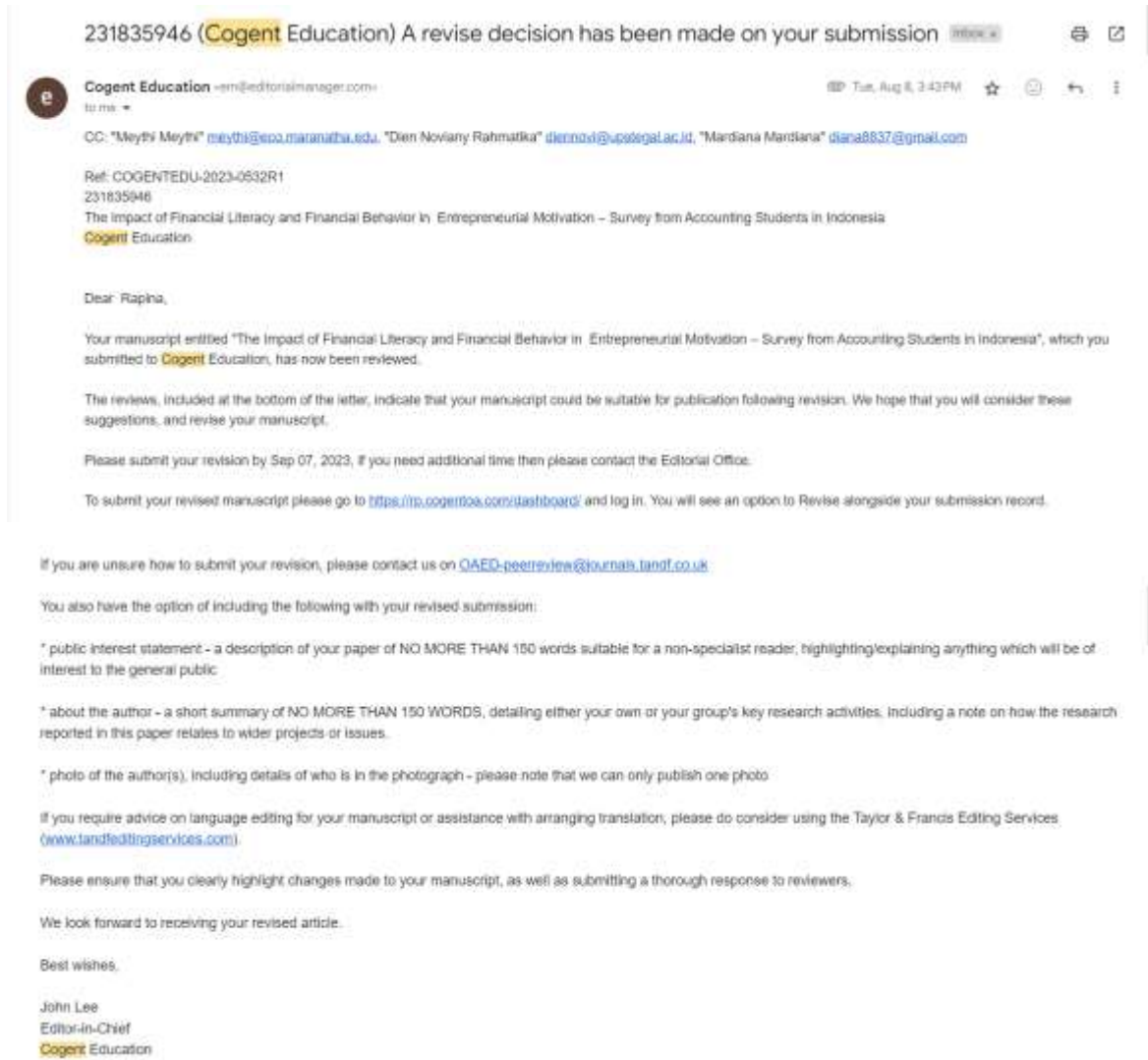
Researchers also ask for suggestions from reviewer related to this: "In fact, financial literacy consists of three parts, namely financial knowledge, financial attitude, and financial behavior (OECD-INFE (2012) and has been supported by Yanto et al. (2021)".

<p>Literature reviews on the influence of financial behavior and entrepreneurship motivation have fulfilled the requirements to produce hypothesis 2. However, the literature review to produce H3 and H4 needs to be revised by citing many articles in this area. Research on this theme has been carried out in several countries, including Indonesia. The addition of some research results in this area will be very useful for readers in broadening their understanding about financial literacy.</p>	<p>The author has added discussions for it.</p> <p>Research conducted by Alshebami & Marri (2022) says the same thing, namely financial literacy has an impact on financial behavior which ultimately increases people's intention to become entrepreneurs. Financial literacy significantly impacts various factors, including individual saving behavior (Shafinar et al., 2015). This means that the greater one's financial literacy, the greater one's level of savings, and the greater one's financial well-being (Gilenko and Chernova, 2021). Furthermore, due to individual financial literacy, savings increase, enabling people to start new businesses or expand existing businesses (Alshebami & Marri 2022).</p>
<p>METHODOLOGY The methodology has been presented well and systematically. However, the author needs to provide reasons why he took data from 251 respondents considering that the population of this study is very large.</p>	<p>Due to limited availability of funds and time as well as manpower, the sampling was small compared to the very large population, but the selected sample truly represented the research requirements, namely one of them had to be an accounting student.</p>
<p>The author also needs to re-check the number of respondents. The author conveys the number of respondents 251 in the methodology and in the underlying data, but the author presents 252 data in the descriptive analysis.</p>	<p>The author has revised it. The total is 252 respondents.</p>
<p>RESULTS The author needs to describe more about the results of the descriptive analysis. There are still many interesting points from the results of this analysis that need to be conveyed to the readers. For example,</p>	<p>The author has revised and added the explanation.</p>

what does the overall mean of 3.90 with a standard deviation of 0.71?	
The results of this descriptive analysis will be more meaningful if the author writes down the questionnaire indicators, not just the code (FL_01, FL_02). This code has no meaning for the readers.	The author has added it and revised the table.
The author needs to provide an introduction first to point 4.2.2 Inner model. authors need to do this so that readers can understand the results model. Titles followed directly by figures will confuse the reader.	The author has added it: The inner model is a model that links exogenous latent variables with endogenous latent variables, or the relationship between endogenous variables and other endogenous variables. In this study, the exogenous variables were Financial Literacy (FL) and Financial Behavior (FB), while the endogenous variables in this study were Entrepreneurship Motivation (EM). The inner model relationship in this study can be seen in Figure 2 below.
The author has submitted 4 hypotheses in the literature review section. Implicitly the author has conveyed the acceptance of all hypotheses (Table 6). However, the writer needs to convey again in a table regarding the acceptance of all hypotheses.	The author has added it in the Table 6.
DISCUSSION Discussion meets the requirements. However, the authors have not utilized the literature review to carry out the discussion optimally. In essence, this discussion is a critical process to link literature review with research results.	The author has added it in discussions.
CONCLUSION Conclusion usually no longer do re-citation	The author has revised it.
The author has carried out an intensive descriptive analysis in the results section, but these results are not included in the conclusion. In some cases, descriptive analysis will be very useful in providing information on the extent of each variable.	The author has added it in conclusions: Accounting students in West Java, Indonesia have a fairly good average level of financial literacy where they understand the importance of investment. The data shows that students have an awareness of the importance of making an investment and they can make a financial budget for their financial life quite well. Accounting students in West Java, Indonesia also have a fairly high average level of financial behavior where they are aware of the importance of making a budget for their finances, this implies that they have an understanding of finances and they control expenses so they can avoid excessive spending. With a fairly good level of financial literacy and level of financial behavior, students must have high entrepreneurial motivation.

THANK YOU

5. Bukti konfirmasi review dan hasil review kedua (20 Sep 2023)



Comments from the Editors and Reviewers:

Title, Abstract and Introduction – overall evaluation
Reviewer 1: Sound with minor or moderate revisions

Methodology / Materials and Methods – overall evaluation
Reviewer 1: Sound with minor or moderate revisions

Objective / Hypothesis – overall evaluation
Reviewer 1: Sound with minor or moderate revisions

Figures and Tables – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

Results / Data Analysis – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

Interpretation / Discussion – overall evaluation

Reviewer 1: Unsound or fundamentally flawed

Conclusions – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

References – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

Compliance with Ethical Standards – overall evaluation

Reviewer 1: Sound with minor or moderate revisions

Writing – overall evaluation

Reviewer 1: Sound

Supplemental Information and Data – overall evaluation

Reviewer 1: Not applicable

Comments to the author

Reviewer 1: 1 Title, Abstract and Introduction – overall evaluation

The paper is improved. My comments are below:

TITLE: The revised version is more acceptable. However, I recommend revising it with the aim to remove “Accounting Students” from the title.

ABSTRACT: It is improved; however, I feel that there is an issue of running the analysis in a non-random sampling. From a rigor methodological perspective, you should not run PLS-SEM in a purposive sampling. You cannot draw any conclusion based on the analysis of the data collected following a purposive sampling. **THIS IS A HUGE CONCERN.**

INTRODUCTION: I am not satisfied with the improvements in Introduction. I was expecting to read some lines that identify the theoretical gap in the research. Thus, yet again, please try to justify the research from theoretical and practical needs.

2 Literature review

I still do not find sound connections between financial behaviour and literacy with entrepreneurial motivation. I would like to read more on theoretical linkages between them. Which is the theory that can explain such relationships? Please elaborate more on this.

I am struggling to find any reason why you cite Jappelli & Padula (2013) at the end of this sentence “The desire of students to launch new firms is affected by financial behavior and financial knowledge.” Jappelli & Padula (2013) did not say that. How you defend this claim?

Can you please cite the source of this statement below? Where are you based to write it? “Entrepreneurs that practice effective financial conduct may comprehend the overall effect of financial decisions on business performance.”

H4 should be formulated after a theoretical discussion. As it is, cannot be accepted.

Overall, consider citing:

- Financial Capability as a Function of Financial Literacy, Financial Advice, and Financial Satisfaction. <https://doi.org/10.15240/tul/001/2022-1-009>
- The Role of Financial Capability and Culture in Financial Satisfaction. *Economic Papers*. 39, 1-18. <https://doi.org/10.1111/1759-3441.12299>
- Financial Capability and Technology Implications for Online Shopping. <https://doi.org/10.15240/tul/001/2020-2-011>
- Does gender matter in financial literacy? A case study of young people in Tirana. *Scientific Papers of the University of Pardubice, Series D*

3 Methodology / Materials and Methods – overall evaluation

APPLYING THE PURPOSIVE SAMPLING IS A WEAKNESS FOR YOUR STUDY. The interpretation should be done only for the respondents and not for all students. Please, interpret the results with caution. You said that “researchers have ensured that the results of this study are only concluded to the extent of the respondents used, so they cannot be generalized,” but in fact you keep interpreting the results following a generalisation type of language. Please fix this issue.

It is written that “All questions used a 5-point Likert scale from “strongly disagree” (1) to “strongly agree” (5),” and you cite OECD and Atkinson & Messy (2012) as a source. I think this is not correct. The two cited sources did not use such measures. Please double check.

DISCRIMINANT VALIDITY – You wrote in the manuscript “The method for testing discriminant validity is based on cross loadings of indicators, with of acceptable outer loading value is greater than 0.7.” A rigor procedure that can be followed to test for discriminant validity when using PLS-SEM is HTMT approach. Read carefully: Hair, J.F., Risher, J.J., Sarstedt, M. and Ringle, C.M. (2019), “When to use and how to report the results of PLS-SEM”, *European Business Review*, Vol. 31 No. 1, pp. 2–24.

4 Objective / Hypothesis

More discussion in developing the hypothesis is needed. The discussion for H4 is missing at all.

5 Figures and Tables

What do these numbers mean in Table 1, last row: “29, 64, 397, 1658, 372, 2520.” It should be average instead of sum. Same for the two following tables.

6 Results / Data Analysis

I will rewrite my comment: While mentioning that “The majority of responders (91.3%) were under the age of 25”, please try to bring some comparison with actual distribution of the students, particularly by gender. If the share of female students is around 70%, then it can be used as a justification that your sample correspond to the actual distribution of students by gender.

The mediating effect is not interpreted correctly. Please read carefully the chapter on “mediating” in the book of Hair, J.F., Sarstedt, M., Ringle, C.M., Gudergan, S.S., 2017. *Advanced issues in partial least squares structural equation modeling*. SAGE, Los Angeles.

7 Interpretation / Discussion

I see that in the discussion you have mentioned the mediation effect. Given this case, I would suggest adding a discussion in the literature review with the aim to justify such effect.

8 References

To include additional sources, in particular those listed above.

Title, Abstract and Introduction – overall evaluation

Reviewer 2: Sound

Methodology / Materials and Methods – overall evaluation

Reviewer 2: Sound

Objective / Hypothesis – overall evaluation

Reviewer 2: Sound

Figures and Tables – overall evaluation

Reviewer 2: Sound

Results / Data Analysis – overall evaluation

Reviewer 2: Outstanding

Interpretation / Discussion – overall evaluation

Reviewer 2: Sound with minor or moderate revisions

Conclusions – overall evaluation

Reviewer 2: Sound with minor or moderate revisions

References – overall evaluation

Reviewer 2: Sound

Compliance with Ethical Standards – overall evaluation

Reviewer 2: Sound

Writing – overall evaluation

Reviewer 2: Sound

Supplemental Information and Data – overall evaluation

Reviewer 2: Sound

Comments to the author

Reviewer 2: ABSTRACT

The abstract has been well presented by including background, research methodology, research results, and some suggestions for educators and educational institutions so that entrepreneurship education can develop among accounting students. However, the author needs to convey information regarding the extent of each variable from the results of the descriptive analysis.

INTRODUCTION

The research background is strong enough to convey the importance of this research. Besides that, the author has also explained about the novelty of this study. However, the author needs to convey the source of the last paragraph of the introduction "... but there are still many entrepreneurs who can't run a business well in Indonesia (Source, year).

LITERATURE REVIEW

The author has presented the grand theory well by citing the work of Ajzen and Fishbein (1977); Zarnadze e al. (2022) and others. The grand theory is complete and meets the required scientific principles.

In fact, financial literacy consists of three parts, namely financial knowledge, financial attitude, and financial behavior (OECD-INFE (2012) and has been supported by Yanto et al. (2021). The author needs to provide an operational definition of financial literacy used in this study.

Literature reviews on the influence of financial behavior and entrepreneurship motivation have fulfilled the requirements to produce hypothesis 2. However, the literature review to produce H3 and H4 needs to be revised by citing many articles in this area. Research on this theme has been carried out in several countries, including Indonesia. The addition of some research results in this area will be very useful for readers in broadening their understanding about financial literacy.

METHODOLOGY

The methodology has been presented well and systematically. However, the author needs to provide reasons why he took data from 251 respondents considering that the population of this study is very large. The author also needs to re-check the number of respondents. The author conveys the number of respondents 251 in the methodology and in the underlying data, but the author presents 252 data in the descriptive analysis.

RESULTS

The author needs to describe more about the results of the descriptive analysis. There are still many interesting points from the results of this analysis that need to be conveyed to the readers. For example, what does the overall mean of 3.90 with a standard deviation of 0.71? The results of this descriptive analysis will be more meaningful if the author writes down the questionnaire indicators, not just the code (FL_01, FL_02). This code has no meaning for the readers.

The author needs to provide an introduction first to point 4.2.2 Inner model. authors need to do this so that readers can understand the results model. Titles followed directly by figures will confuse the reader.

The author has submitted 4 hypotheses in the literature review section. Implicitly the author has conveyed the acceptance of all hypotheses (Table 6). However, the writer needs to convey again in a table regarding the acceptance of all hypotheses.

DISCUSSION

Discussion meets the requirements. However, the authors have not utilized the literature review to carry out the discussion optimally. In essence, this discussion is a critical process to link literature review with research results.

CONCLUSION

Conclusion usually no longer do re-citation,

The author has carried out an intensive descriptive analysis in the results section, but these results are not included in the conclusion. In some cases, descriptive analysis will be very useful

in providing information on the extent of each variable.

In compliance with data protection regulations, you may request that we remove your personal registration details at any time. (Use the following URL: <https://www.editorialmanager.com/cogentedu/login.asp?a=r>). Please contact the publication office if you have any questions.


One attachment • Scanned by Gmail

6. Bukti konfirmasi submit hasil revisi ke 2 (22 Okt 2023)

Revised submission received for **Cogent** Education (Submission ID: 231835946.R3) [View](#)

OAED-peerreview@journals.tandf.co.uk
22 Oct 2023

Sun, Oct 22, 2023

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Dear Ropituspina Ropita,

Thank you for submitting your revised manuscript.

Submission ID	231835946
Manuscript Title	The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation - Survey from Accounting Students in Indonesia
Journal	Cogent Education

If you wish the submission, you can check its progress and make any requested revisions on the [Submission Entry](#).

Thank you for submitting your work to our journal.
If you have any queries, please get in touch with OAED-peerreview@journals.tandf.co.uk

Kind Regards,
Cogent Education Editorial Office

The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation – Evidence from Indonesia

Rapinarapina Rapina ^{1*}, Meythi Meythi², Dien N.Rahmatika³, Mardiana Mardiana⁴

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³Faculty of Economics and Business, Pancasakti Tegal University, Tegal, Indonesia

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rapinarapinarapina@gmail.com

Abstract

Entrepreneurship has been viewed as a catalyst for economic growth because it creates jobs and offers solutions to social issues. The government is trying to make entrepreneurship popularized among the public, especially in students in universities. This analysis aims to ascertain how financial behavior and literacy, [particularly among accounting students who are the sample of this study at West Java universities](#), affect entrepreneurial motivation. In addition, this research also examined the level of financial literacy and the level of financial behavior in accounting students in West Java, Indonesia. This research employs a quantitative approach and the data were collected using a survey questionnaire. Partial Least Square Structural Equation Modelling (PLS-SEM) method were used to analyze data of 252 respondents of accounting students from universities in West Java, Indonesia. The study discovered a significant positive association between financial literacy and accounting students' financial behavior and their willingness to start their own business. The research also assessed the degree of financial literacy and financial behavior among participants who achieved a relatively strong overall outcome, along with the level of drive for entrepreneurship among respondents with a similarly elevated average performance. This research contributes to educators and educational institutions that it is very important to design an integrated educational curriculum to strengthen the entrepreneurial motivation of accounting students [who are the sample of this study at West Java universities](#) in Indonesia.

Keywords: financial literacy, financial behavior, entrepreneurial motivation, an accounting student, West Java universities



ABOUT THE AUTHOR

Rapina Rapina graduated from Maranatha Christian University in Indonesia in 2007 with a bachelor's degree in accounting as her major. She pursued her education at Padjadjaran University in Indonesia in 2006 to earn a Master of Science degree and a Doctor of Philosophy from that institution in 2017. Rapina Rapina is a lecturer and currently serving as the Director of the Graduate Accounting Program at Maranatha Christian University in Indonesia.

1. Introduction

Entrepreneurship is crucial for creating new prospects for economic growth because it creates jobs and offers solutions to social issues (Zarnadze, 2022; Kimmit & Munoz, 2017; Urbano & Aparicio, 2015), so that entrepreneurship education in tertiary institutions needs to be developed and taught to students effectively. Unfortunately, there are number of factors that hinder the development of entrepreneurial potential among Indonesian youth, one of which is

the lack of financial literacy in individuals (Prasetyo, 2020; Napitupulu, 2021). Developing nations like Indonesia encourage students to engage in entrepreneurship and think about it as a career, because the emergence of entrepreneurship is significantly influenced by students (Karimi et al., 2014). Indonesia itself is a vast archipelago country where Java Island is one of the largest and most populous islands in Indonesia and even in the world. It is not surprising that Java Island is the center of economics and politics in Indonesia, and even the capital city of Indonesia itself is in Java Island (Dsikowitzky, 2019; Setyaningrum, 2022), so it is necessary to examine the entrepreneurial motivation of students on Java Island for Indonesia's economic development.

For their business to succeed, entrepreneurs need to have a solid understanding of finance. Entrepreneurs are defined as those who start enterprises, employ resources, take risks, and actively participate in business choices (Voda & Florea, 2019). Successful business owners must possess strong money management abilities (Ahmad et al., 2021). As previously explained that individual financial literacy is important in supporting entrepreneurship where financial literacy is knowledge or education in relation to money, assets, bank accounts, investments, credit, insurance, taxes, and how to use this financial information when making individual financial plans effectively. Financial competency can be increased through financial literacy, which also influences personal financial behavior (Akca et al., 2018; Te'eni Harari, 2016). Developing individual financial literacy requires a long process because it requires a lot of effort from the individual himself and from the institution surrounding the individual (Çera et al., 2021). Those that are financially literate will exhibit healthy financial behavior, such as when making long-term decisions like purchasing a new home or creating retirement plans (Blue et al., 2014). The entrepreneur's obligations in terms of business finance, investment, cash flow, and planning are tied to individual financial conduct (Jappelli & Padula, 2013). According to several studies, financial literacy influences individual financial behavior, and as a person's financial literacy increases, their ability to manage finances effectively also improves (Arofah et al., 2018; Akca et al., 2018).

Entrepreneurs must understand finance and possess financial skills prior to engage in business activities. The knowledge and abilities gained through education result in responsible financial behavior that can ultimately contribute to the successful operation of a business (Ahmad et al., 2021). The government has also paid special attention to improving the quality of entrepreneurship in Indonesia, for example through the school curriculum which has added lessons on entrepreneurship (Saptono et al., 2020). Unfortunately, in real life, there are many young entrepreneurs fail to manage their business. The success rate of young entrepreneurs was previously reported to be low (Fatoki, 2014). In addition, the study revealed that financial management practices were neglected while business production and marketing were given top priority (Fuller et al., 2018), and there are barriers to financing young entrepreneurs face (Musie, 2015). Apart from that, there is research that states that gender influences financial literacy where men have greater financial capabilities than women and women are more likely to be consumptive than men, so there is a significant difference in financial literacy between men and women (Llados-Masllorens and Ruiz-Dotras, 2022; Upa et al., 2019). These gender differences will also appear in entrepreneurial motivation, so there must be differences in providing financial literacy education for men and women. Those who do not have entrepreneurial motivation will face obstacles in maintaining and developing their business, so entrepreneurial motivation is an important thing that must be increased even though people are financially literate (Upa et al., 2019).

Even though financial behavior and financial literacy are important components in running a business, there are still many entrepreneurs who cannot run a business well in Indonesia (Prasetyo, 2020; Napitupulu, 2021). This was recorded in the news on CNBC Indonesia (Bestari, 2022), namely that many start-up companies failed in Indonesia which was caused by several factors related to financial literacy and poor financial behavior. One example of business failure is caused by lack of funds, this means that people who have entrepreneurial abilities may not have the knowledge to obtain funding while starting the business (Li & Qian, 2020). Therefore, this research examines the level of financial literacy and level of financial behavior in accounting students who are the sample of this study in West Java, Indonesia and also re-examines the relationship between financial literacy, financial behavior and entrepreneurial motivation in entrepreneurs, who in this context are accounting students in West Java, Indonesia. Indonesia is a developing country that strongly encourages entrepreneurship programs to support economic development, however most of the research in the field of entrepreneurial intentions that explores factors such as education, psychological factors and financial literacy has not been researched adequately (Aldi et al., 2019). To the best of the researcher's knowledge, although there is some literature that discusses this matter, it is believed that there is still a scarcity of research in this field (Alshebami & Al Marri, 2022) and there has been no research that directly links these three variables in one study and was conducted in Indonesia, especially on the island of Java. According to Mauch and Park (2003:12) in their book entitled "Guide to the successful thesis and dissertation", it is said that originality does not mean that the research question or hypothesis is completely new, so replication of previous research can also be said to meet the criteria for originality. Departing from these references, the novelty in this research lies in the mediating effect of Financial Behavior on Financial Literacy on Entrepreneurship Motivation which has not been tested in previous research, also this research uses a different data processing method from previous research.

This research has a significant contribution, both theoretically and practically. From a theoretical point of view, this research can help identify the key factors in financial literacy that have the most significant impact on entrepreneurial motivation. This can enable the development of literacy programs that are more focused and effective

in encouraging interest in entrepreneurship. From a practical standpoint, this research can also help entrepreneurs make wiser decisions in managing their business finances. This can have an impact on reducing business risk and increasing the chances of success. The results of this research can provide a better understanding to the government and related institutions regarding how increasing financial literacy can support the growth of the entrepreneurial ecosystem. Policies that focus on financial education can create a more conducive environment for aspiring entrepreneurs.

2. Literature Review

The theory of reasoned action proposed by Ajzen and Fishbein (1977) has been used for the past two decades to study individual desires and behavior. This theory says that individuals have the intention or desire to perform an action that results in that individual's behavior. When someone already has high financial knowledge, he will tend to have good financial behavior and ultimately generate motivation for entrepreneurship. This is in accordance with the theory mentioned above, namely that a person's motivation arises from a person's intention to behave or the actual intention produces motivation to perform the action (Zarnadze et al., 2022). In this study, the concept of financial literacy is broken down into three distinct dimensions: financial knowledge, financial attitude, and financial behavior. However, for the purposes of this research, only two of these dimensions, namely financial knowledge (referred to as financial literacy) and financial behavior, were examined. This decision was made based on the understanding that attitudes and behaviors in the realm of finance are intricately interconnected (Çera et al., 2021). Therefore, the researchers chose to amalgamate these dimensions into a single variable, which is referred to as financial behavior.

This research also uses capability theory (Sen, 1993) where capability requires the freedom that individuals have to live their lives and get the opportunities they want (Cera et al., 2020). This also refers to the concept that individuals who have certain abilities can shape and influence their level of motivation, in this case individuals who have financial abilities will influence their motivation for entrepreneurship. The financial capabilities possessed by individuals come from the knowledge they obtain either from their family environment or from their school education environment. These financial abilities include financial literacy and financial behavior which will ultimately increase their motivation to create a business (Khan et al, 2022). Capability theory emphasizes the importance of developing individual abilities. When someone feels capable of mastering the skills and knowledge necessary for entrepreneurship, they tend to be more motivated to start their own business, this is because they feel they have sufficient foundation to succeed. Apart from individuals having reliable financial capabilities, it should be noted that there are external factors that need to support this, one of which is access to finance to start a new business (Çera et al., 2020).

2.1. Financial Literacy and Financial Behavior

Financial literacy is considered as a combination of knowledge, skills and self-efficacy and the decision-making process is influenced by individual knowledge which enables a person to transform knowledge into behavior (Çera et al., 2021). Financial knowledge is defined as an understanding of personal finance and the economy which includes knowledge of savings and investment, banking and insurance, taxes and debt (Khan et al., 2022). Through financial literacy, individuals learn to make long-term monetary choices, such as buying an unused domestic or making retirement plans, so monetary proficiency comprises of terms and data instructed for the monetary advancement of each person (Blue et al., 2014). Financial decision-making and financial management behavior includes things like creating budgets, paying bills on time, and appropriately managing savings (Bhushan & Medury, 2014; Kalekye & Mbah, 2015). It can be seen that individual financial knowledge is an important component to improve individual behavior in making financial decisions. Further exploration also revealed that financial knowledge influences individual financial behavior and decision making by individuals so that they are related to one another (Allgood & Walstad, 2016; Kalmi, 2018).

The financial knowledge of students, aged 18 and over, is very important because students at this age begin to lead an independent life, especially in terms of finances. Financial knowledge becomes essential when these students start spending their own money (Ahmad et al., 2021). Most students struggle to manage their money when they are entering college, they are beginning to live independently, and are getting their first taste of handling their own money (Shaari et al., 2013). College students' financial actions appear to have an impact on their future, which suggests that someone with inadequate financial literacy will experience financial difficulties in the future. Student's academic achievement, financial hardship, and capacity to find employment after graduation can all be affected by economic ignorance (Ahmad et al., 2021). Financial conduct is significantly affected by financial literacy. Research demonstrates that financial knowledge significantly affects financial behavior, which is a crucial component of financial literacy (Trunk & Dermol 2015). According to Xiao et al. (2014), sound financial management is what leads to financial security and a promising future. As a result, it is crucial for students to arm themselves with financial knowledge.

Thus, this research hypothesises that:

H1: Financial literacy is positively related to the financial behavior of accounting students.

2.2. Financial Behavior and Entrepreneurial Motivation

Entrepreneurship is an important matter that has received attention from the government because it can make an extraordinary contribution to the advancement of the economy, expansion of economic potential, and enhancement of societal well-being (Saptono et al., 2020). Entrepreneurship is encouraged among the younger generation, such as students from various universities. Entrepreneurial activities are related to financial activities in business where good financial behavior is needed in a business. Entrepreneurs that have strong financial management abilities promote business expansion. Entrepreneurs must therefore be backed by financial competence, one of which is the financial behavior required of them to manage their businesses successfully (Suparno & Saptono, 2018). The obligations of the entrepreneur in terms of business finance, investing, cash flow, and planning are related to behavioral finance. One of the financial skills necessary for the success and expansion of entrepreneurial businesses is behavioral finance. Education-based knowledge and skills enable responsible financial behavior (Jappelli & Padula, 2013).

Behavioral finance is about how a person makes financial decisions including financial planning, saving, budgeting, investing, and paying off debt (Greenberg & Hershfield, 2019; Çera et al., 2021). Financial behavior reveals the degree to which the entrepreneur is in control of the company's finances and budgeting, and sound financial behavior makes it easier to make wise choices, whereas bad business management can be a hindrance in doing business. Entrepreneurs that practice effective financial conduct may comprehend comprehensive impact of financial choices on business outcomes (Saifurrahman & Kassim, 2021). Therefore, having good financial knowledge and good financial behavior can also affect the younger generation to become entrepreneurs (Ahmad et al., 2021).

Based on the above description, this research hypothesises that:

H2: Financial behavior is positively related to entrepreneurial motivation of accounting students.

2.3. Financial Literacy and Entrepreneurial Motivation

Over the past decade, entrepreneurship has grown in importance as a social and economic issue and a world-renowned research topic. Entrepreneurship is becoming a very relevant instrument for increasing economic growth and development in various countries. Entrepreneurial activities are introduced to the younger generation, especially students at universities. They are given financial competence to manage a business effectively (Saptono et al., 2020).

Our country is also starting to promote and disseminate knowledge about entrepreneurship more broadly. Starting from school to tertiary institutions, it is targeted to provide motivation and knowledge about the importance of entrepreneurship. This is so that when they graduate and immediately enter society, they will no longer be awkward in facing the business world or jobs that are hard to come by. Financial literacy is an important factor in this entrepreneurship (Utami & Wahyuni, 2022).

Educational institutions can develop fundamental entrepreneurial abilities to encourage student's entrepreneurial enthusiasm. This education gives financial knowledge and skills, improves student's financial literacy, and direct students to appropriate financial behaviors. This education encourages students to have high entrepreneurial motivation (Suparno & Saptono, 2018; Israr & Saleem, 2018). Insufficient understanding of financial matters creates challenges in making finance-related choices, and since entrepreneurs are obligated to make such decisions, it becomes imperative for them to possess financial literacy. Consequently, having a grasp of financial concepts positively influences business growth (Zhao & Li, 2021).

Based on the above description, this research hypothesises that:

H3: Financial literacy is positively related to the entrepreneurial motivation of accounting students

2.4. Financial Literacy and Entrepreneurial Motivation mediated by Financial Behavior

Financial literacy and financial behavior influence student's interest in entrepreneurship. These supporting factors are needed to foster student motivation for entrepreneurship (Ahmad et al., 2021). A person with good financial literacy will also tend to have good financial behavior and this will result in increased motivation for entrepreneurship, so that entrepreneurial motivation has a partial relationship with financial literacy because financial knowledge cannot be significantly related to entrepreneurial intentions without being transformed into finance-related behaviors or attitudes (Solesvik, 2013). Entrepreneurs who have received entrepreneurship education exhibit higher motivation compared to entrepreneurs without entrepreneurship education (Ahmad et al., 2021). Studying financial topics can improve financial attitudes and behavior (Cera et al., 2021) which in turn can create entrepreneurial motivation.

Research conducted by Alshebami & Marri (2022) says the same thing, namely financial literacy has an impact on financial behavior which ultimately increases people's intention to become entrepreneurs. Financial literacy significantly impacts various factors, including individual saving behavior (Shafinar et al., 2015). This means that the greater one's financial literacy, the greater one's level of savings, and the greater one's financial well-being (Gilenko

and Chernova, 2021). Furthermore, due to individual financial literacy, savings increase, enabling people to start new businesses or expand existing businesses (Alshebami & Marri 2022).

Based on the above description, this research hypothesises that:

H4: Financial literacy has a positive relationship with accounting students' entrepreneurial motivation which is mediated by financial behavior

The research model can be seen in figure 1 below.



Figure 1. Research Model

3. Methodology

3.1. Participants

This research employed a quantitative research design and survey questionnaire was used to collect the data. This research was conducted between November 2022 and March 2023. Students studying accounting from the University of Java Island in Indonesia made up the study's population. Purposive sampling was the method of sampling utilized in this study, and the target respondents were those who met specific practical requirements, such as proximity to the study's location and willingness to participate. Researchers asked lecturers at the university for permission to distribute questionnaires to students at the university. Researchers also entrusted questionnaires to known lecturers or to students, then they helped distribute the questionnaires at their respective universities. The respondents collected were 252 accounting students and all respondents gave consent that the data provided would be published for scientific purposes. These respondents were final year students who had better financial literacy than other students. The sample of students is also considered the most relevant to this study because based on their understanding of finance and business, students are regarded as a prospective entrepreneurial population (Ahmad et al., 2019).

3.2. Intrumentations

A structured questionnaire with four components was used to gather primary information for the independent and dependent variables. The first part deals with the respondent's profile, the second part deals with financial literacy, the third part deals with financial behavior and the fourth part deals with entrepreneurial motivation. All questions used a 5-point Likert scale from "strongly disagree" (1) to "strongly agree" (5).

The questionnaire survey used in this study was adopted from the OECD report (2011) as well as Atkinson and Messy (2012) to quantify financial literacy and financial behavior, while to quantify entrepreneurial motivation was adopted from Ahmad et al. (2021). Questionnaires were distributed online to students with consideration of the ease of obtaining data at the end of 2022 which is a pandemic transition period.

3.3. Validity and Reliability

The study instrument was already validated by the previous research. Validity testing is carried out by testing convergent validity and discriminant validity to ensure that the indicators used to measure constructs are valid. Convergent validity was measured using AVE (average variance extracted). An AVE value of more than 0.50 indicates that on average, the construct explains more than half of the variance of the indicators. Discriminant validity is the degree to which a construct is completely different from a construct based on empirical standards. The method for testing discriminant validity is based on cross loadings of indicators, with of acceptable outer loading value is greater than 0.7. Consistency reliability testing uses the Cronbach's alpha value and the composite reliability value where the Cronbach's alpha value is at least 0.7 and the composite validity value is at least 0.7 (Hair et al., 2014).

3.4. Data analysis

The analysis uses structural equation modeling with an alternative partial least square method. The reason for using structural equation modeling is because the variables being studied are not measured directly but are measured through several indicators. The Structural Model used as a data assessment in the first PLS-SEM by measuring collinearity to predict endogenous constructs or indicators with a determination assessment (R^2) (Hair et al., 2014).

Data availability

Underlying data

Figshare: Dataset survey on Accounting Students from 252 respondents. <https://doi.org/10.6084/m9.figshare.22331161.v1> (Rapina et al., 2023).

This project contains the following underlying data:

- Questionnaire results from 252 accounting students.

4. Results

Based on the results of distribution and collection of questionnaires, it can be seen the demographic profile of respondents among accounting students in West Java, Indonesia, which describes the characteristics of respondents regarding gender, age, and whether the respondent has received courses regarding financial knowledge and entrepreneurship. In Table 1 below you can see the characteristics and distribution of respondent profiles. The proportion of male respondents is less than female. Furthermore, regarding age characteristics, it can be seen that the majority of respondents are in the age range of 21 to 25 years, this is in line with the researchers' expectations in obtaining information because students at this age are final year students have a high level of financial literacy and understanding in the fields of finance and business, also students in this age range are considered a potential entrepreneurial candidate. Furthermore, in relation to courses on financial knowledge and entrepreneurship, it can be seen in Table 1 that the majority of respondents had attended a course on finance and had attended an entrepreneurship course.

Table 1. The demographic profile of respondents

Variable	Frequency (n)	Percentage (%)
Gender		
Male	59	23
Female	193	77
Age		
16 - 20 years old	74	29
21 - 25 years old	156	62
26 - 30 years old	15	6
> 30 years old	7	3
Attended Financial Course		
Yes	231	92
No	21	8
Attended Entrepreneurship Course		
Yes	231	92
No	21	8

1. Descriptive analysis

Interpretation of data from respondents' responses can be used to enrich the discussion, through pictures of respondents' responses it can be seen how the condition of each variable indicator being studied. In order to make it easier to interpret the variables being studied, the average score of the respondents' answers was calculated. Below are the descriptive results of the analysis in this study.

Table 2. Financial Literacy Descriptive Statistics

Code of indicator	Indicator	N	Mean
FL_01	I understand my current financial situation.	252	3,91
FL_02	I understand the risk of using a credit card.	252	3,69
FL_03	All types of investment are profitable.	252	3,66
FL_04	Buying insurance is important for protection in the future.	252	3,64
FL_05	I am certain about where my money is spent.	252	4,02
FL_06	Investment is important.	252	4,22
FL_07	I set long-term financial goals and strive to achieve them.	252	3,91
FL_08	I tend to do financial planning for my financial well-being.	252	4,09
FL_09	I am prepared to risk some of my own money when making an investment.	252	3,90
FL_10	I find it more satisfying to save money for future undertakings.	252	4,01
Overall			3,90

Most [accounting students who are the sample of this study](#) at universities spread across Java Island already have good financial literacy with an average total score of 3.90 on a scale of 1-5 that can be seen at Table 2. The highest financial literacy is regarding the importance of investment, with a typical rating of 4.22. This shows [accounting students who are the sample of this study](#) understand that investing their money wisely can generate potential growth and increased financial security over time. Conversely, the lowest financial literacy is regarding the importance of insurance for future protection, with a typical overall rating of 3.64. [Accounting students who are the sample of this study](#) are not yet aware of the importance of insurance because they lack personal experience that emphasizes the importance of insurance and lack of education or campaigns about the importance of insurance.

Table 3. Financial Behavior Descriptive Statistics

Code of indicator	Indicator	N	Mean
FB_01	I have a life insurance policy.	252	3,79
FB_02	I prepare a budget every month.	252	3,97
FB_03	I maintain adequate financial records.	252	3,35
FB_04	I contribute to an investment account.	252	3,62
FB_05	I keep track of my expenses on a regular basis.	252	3,86
FB_06	I get cash advances from my debit card.	252	3,28
FB_07	I plan and implement a regular savings programme.	252	3,96
FB_08	I compare prices when shopping for purchases.	252	3,76
FB_09	I keep a close personal watch on my financial affairs.	252	3,27
FB_10	I read to increase my financial knowledge.	252	3,62
Overall			3,65

In general, accounting students at universities spread across Java Island [who are the sample of this study](#) already have good financial behavior with a typical overall rating of 3.65 on a scale of 1-5, that can be seen at Table 3. The best financial behavior is in terms of preparing a budget every month, with a typical rating of 3.97. [Accounting students who are the sample of this study](#) are aware of the importance of making a budget for their finances, this implies that they have an understanding of finances and they control expenses so they can avoid excessive spending. On the other hand, the worst financial behavior is in monitoring one's own financial affairs continuously, with a typical overall rating of 3.27. [Accounting students who are the sample of this study](#) lack constant monitoring of their financial condition because doing so is time-consuming, tiring and can create undue anxiety.

Table 4. Entrepreneurship Motivation Descriptive Statistics

Code of indicator	Indicator	N	Mean
EM_01	Instill entrepreneurial motivation.	252	3,60
EM_02	Preparing financial reports.	252	3,70

EM_03	Managing working capital.	252	3,67
EM_04	Preparing sufficient cash flows.	252	4,28
EM_05	Solving financial problems.	252	3,98
EM_06	Dealing with financial debts.	252	3,21
EM_07	Understanding financial reports.	252	3,58
EM_08	Estimating cost of a product.	252	3,61
EM_09	Allocating financial resources.	252	3,85
EM_10	Budgeting and planning financial resources.	252	4,31
Overall			3,78

In general, accounting students [who are the sample of this study](#) at universities spread across Java Island already have high entrepreneurial motivation with a typical overall rating of 3.78 on a scale of 1-5, that can be seen at Table 4. The highest motivation is in terms of the habit of budgeting and planning financial resources to run a business, with a typical rating of 4.31. Accounting students [who are the sample of this study](#) are highly motivated by the idea of adopting the habit of budgeting and planning financial resources to run a business. Conversely, the lowest motivation is in terms of the habit of dealing with funding or debt for businesses, with a typical rating of 3.21. Accounting students [who are the sample of this study](#) do not understand business financing or debt due to a lack of education and understanding of business funding and debt management strategies as well as a lack of experience in this matter.

2. Verification analysis

To prove whether financial literacy and financial behavior affect entrepreneurship motivation, a test is carried out using structural equation modeling with an alternative partial least square method. In SEM-PLS there are two sub-models, namely the outer model and the inner model.

1. Outer model

The outer model or measurement model is a model that connects latent variables with manifest variables. In this study there were 3 latent variables with a total of 30 manifest variables (indicators). The following is the result of analysis of data processing using Warp PLS 7.0 along with an explanation of the convergent validity and discriminant validity tests can be seen at Table 5.

Table 5. Loadings Factor of Each Latent Variable Indicator

Latent Variable	Loadings Factor (Indicator)										CR	CA	AVE
	1	2	3	4	5	6	7	8	9	10			
FL	0,770	0,773	0,821	0,829	0,748	0,755	0,729	0,781	0,720	0,711	0,933	0,921	0,584
FB	0,566	0,620	0,674	0,846	0,673	0,733	0,739	0,857	0,761	0,857	0,922	0,905	0,546
EM	0,845	0,842	0,861	0,810	0,726	0,587	0,903	0,855	0,751	0,830	0,948	0,938	0,649

In table 5, the indicators have loading factors that are less than 0.7 is advised to be removed from the model. (Hair et al., 2014). With the removal of the indicator from the model with a loading factor of less than 0.7, the outcomes of the new outer model are as follows.

Table 6. Loadings Factor and *Cross Loading* Each Latent Variable Indicator

Indicator	FL	FB	EM
FL ₀₁	0,770	0,555	0,619
FL ₀₂	0,773	0,675	0,692
FL ₀₃	0,821	0,580	0,720
FL ₀₄	0,829	0,684	0,718
FL ₀₅	0,748	0,579	0,574
FL ₀₆	0,755	0,426	0,659
FL ₀₇	0,729	0,433	0,559

FL ₀₈	0,781	0,548	0,730
FL ₀₉	0,720	0,487	0,587
FL ₁₀	0,711	0,588	0,567
FB ₀₄	0,705	0,847	0,788
FB ₀₆	0,494	0,790	0,476
FB ₀₇	0,593	0,717	0,587
FB ₀₈	0,652	0,899	0,737
FB ₀₉	0,492	0,801	0,503
FB ₁₀	0,633	0,843	0,743
EM ₀₁	0,676	0,657	0,840
EM ₀₂	0,685	0,787	0,842
EM ₀₃	0,705	0,703	0,865
EM ₀₄	0,697	0,468	0,838
EM ₀₅	0,678	0,600	0,720
EM ₀₇	0,722	0,737	0,896
EM ₀₈	0,671	0,730	0,842
EM ₀₉	0,725	0,608	0,744
EM ₁₀	0,743	0,568	0,861
CR	0,933	0,924	0,952
CA	0,921	0,900	0,942
AVE	0,584	0,669	0,687

In table 6, all indicators have a loading factor greater than 0.7 and are declared valid. The composite reliability (CR) of each latent variable is also greater than 0.7 indicating that these indicators are reliable for gauging the corresponding latent variables.

In the financial literacy latent variable, the FL04 indicator (purchasing essential insurance for future protection) has the greatest loading factor. This information demonstrates that the latent variable of financial literacy is most strongly reflected by the importance of insurance for future protection. On the other hand, the FL10 indicator (more satisfied to save money for a business or activity in the future) is the weakest in reflecting the latent variable of financial literacy. The average variance extracted (AVE) value of 0.584 indicates that the latent variable financial literacy can reflect, on average, 58.4% of the data from each indicator.

In the financial behavior latent variable, the FB08 indicator (likes to compare prices or price surveys when shopping) has the greatest loading factor. This data shows that comparing prices or price surveys when shopping is the most strongly in reflecting financial behavior variables. On the other hand, the FB07 indicator (planning and implementing a regular savings program) is the weakest in reflecting latent financial behavior variables. The average variance extracted (AVE) value of 0.669 indicates that on average 66.9% of the information contained in each indicator can be reflected through financial behavior latent variables.

In the entrepreneurship motivation latent variable, the EM07 indicator (understanding business-related financial reports) has the greatest loading factor. This data shows that understanding of financial statements related to effort is strongest in reflecting entrepreneurship motivation. On the other hand, the EM05 indicator (accustomed to solving financial problems) is the weakest in reflecting the latent variable entrepreneurship motivation. The average variance extracted (AVE) value of 0.687 indicates that on average 68.7% of the information contained in each indicator can be reflected through the latent variable entrepreneurship motivation.

The next test is discriminant validity through cross loading, according to Hair et al. (2014) the presence of cross loading which is greater than outer loading indicates a discriminant validity problem. In table 5, the loading factor values of each construct (latent variable) with their own indicators are higher than the indicators on other latent variables. This data shows that there is no discriminant validity's problem, because each indicator has a stronger relationship with its own construct than with other constructs.

In addition, researchers have also examined the problem of multicollinearity between the indicators used in this study and the result is that there is no multicollinearity between indicators in the variables used. Statistical results show that the Average VIF (AVIF) value in this study is 2,668. AVIF value of 5 or more indicates a critical collinearity problem between the indicators of the formatively measured constructs. However, collinearity problems can also occur at VIF values lower than 3. Ideally, VIF values should be close to 3 and lower (Hair et al., 2014). It can be concluded that in this study there is no multicollinearity problem.

2. Inner model

The inner model is a model that links exogenous latent variables with endogenous latent variables, or the relationship between endogenous variables and other endogenous variables. In this study, the exogenous variables were Financial Literacy (FL) and Financial Behavior (FB), while the endogenous variables in this study were Entrepreneurship Motivation (EM). The inner model relationship in this study can be seen in Figure 2 below.

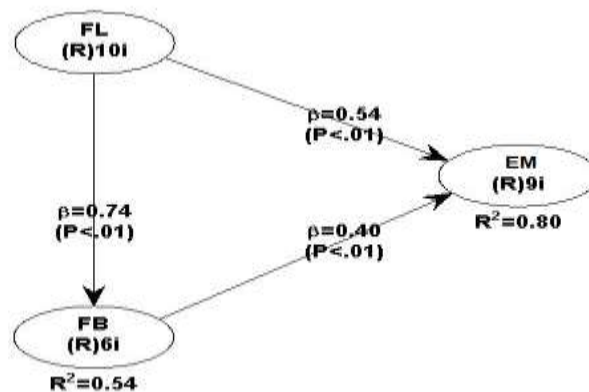


Figure 2. Model Results

On Tabel 7 it can be seen through R^2 that financial literacy has an influence of 54.2% on financial behavior. Then financial behavior has an influence of 68.5% on entrepreneurship motivation. The Q^2 value is a predictive relevance value, because $Q^2 > 0.35$ indicates that the structural model obtained has strong predictive usefulness.

Table 7. Summary of Structural Model Results

Hypothesis	Path	Coefficient	Contribution	$t_{\text{statistic}}$	$p\text{-value}$	R^2	Q^2	Decision
H1	FL --> FB	0,736	0,542	13,143	<0,001	0,542	0,545	Accepted
H3	FL --> EM	0,545	0,468	9,561	<0,001	0,796	0,797	Accepted
H2	FB --> EM	0,397	0,328	6,729	<0,001			Accepted
H4	FL --> FB --> EM	0,292	0,292	6,952	<0,001			Accepted

The Influence of Financial Literacy on Financial Behavior

The first hypothesis to be tested is the effect of financial literacy (FL) on financial behavior (FB). Table 7 demonstrates that the path coefficient of financial literacy on financial behavior has a positive sign with $t_{\text{statistic}}$ value of 13.143 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value is <0.05, at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial literacy has a positive effect on financial behavior. The results of this study provide empirical evidence that better financial literacy will increase the financial behavior of university [accounting students who are the sample of this study](#) spread across Java.

The Influence of Financial Behavior on Entrepreneurship Motivation

The second hypothesis to be tested is the effect of financial behavior (FB) on entrepreneurship motivation (EM). Table 7 demonstrates that the financial behavior path coefficient on entrepreneurship motivation is positive with $t_{\text{statistic}}$ value of 6.729 and a probability value close to zero. Because the $t_{\text{statistic}}$ is greater than 1.645 and the probability value

is <0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial behavior has a positive effect on entrepreneurship motivation. The results of this study provide empirical evidence that better financial behavior will increase entrepreneurship motivation among university [accounting students who are the sample of this study](#) across Java.

The Influence of Financial Literacy on Entrepreneurship Motivation

The third hypothesis to be tested is the effect of financial literacy (FL) on entrepreneurship motivation (EM). In table 7 it can be seen that the path coefficient of financial literacy on entrepreneurship motivation has a positive sign with a statistical value of 9,561 and a probability value close to zero. Because the t-statistic is greater than 1.645 and the probability value is <0.05 , at the 5% error level it is decided to accept the hypothesis. It can be concluded that financial literacy has a positive effect on entrepreneurship motivation. The results of this study provide empirical evidence that better financial literacy will increase entrepreneurship motivation among university [accounting students who are the sample of this study](#) across Java.

The Influence of Financial Literacy on Entrepreneurship Motivation Mediated by Financial Behavior

The fourth hypothesis to be tested is the influence of financial literacy (FL) on entrepreneurship motivation (EM) mediated by financial behavior (FB). Table 7 demonstrates that the path coefficient of financial literacy mediated by financial behavior towards entrepreneurship motivation has a positive sign with $t_{\text{statistic}}$ value of 6.952. The indirect effect of financial literacy on entrepreneurship motivation via financial behavior is 0.292 which is obtained from multiplying the financial literacy path coefficients on entrepreneurship motivation and financial behavior. Based on the calculation results presented in table 7, it can be seen that the p-value is 0.00 because the p-value is smaller than 0.05, so there is an indirect influence from financial literacy to entrepreneurship motivation via financial behavior. This means that the higher the financial literacy, the better the financial behavior and if the financial behavior is good, the entrepreneurship motivation will be better. It can be concluded that financial literacy mediated by financial behavior has a positive effect on entrepreneurship motivation. The results of this study provide empirical evidence that good financial literacy will improve financial behavior and finally increase entrepreneurship motivation among university [accounting students who are the sample of this study](#) across Java.

5. Discussion

This study describes the effect of financial literacy and financial behavior on entrepreneurial motivation in [accounting students who are the sample of this study](#) in West Java, Indonesia. The study's findings indicate that [accounting students who are the sample of this study](#) in West Java have financial literacy that is quite good, above average. The conclusion of this study is in accordance with the findings of Ahmad et al. (2021) which explains that accounting students have a fairly good level of financial literacy compared to students of other majors. The respondent's data shows that good financial literacy can be seen in the awareness of accounting students who consider investment to be important. Students' financial decisions affect their future, and those with inadequate financial literacy will likely experience financial difficulties down the road. This will be different from students who are aware of the importance of investing because by investing, students will have sufficient finances in the future. By investing means they understand the importance of saving, this is in line with what previous research said that individuals with good financial knowledge will have a saving awareness (Bhushan & Medury, 2014; Kalekye & Memba, 2015). According to earlier studies, students who have a strong grasp of finance are more likely to be conscious of their financial situation that investment is good for dealing with financial problems in the future (Ali et al., 2022). However, there are also findings which say that students from accounting or business backgrounds have an understanding of finance that is no better than students from other majors. This implies that financial education still needs to be improved in educational institutions (Ahmad et al., 2019).

Regarding student financial behavior, the respondent's data shows that [accounting students who are the sample of this study](#) are aware of the importance of making a budget every month. A good budget or financial plan must be used to achieve long-term financial targets. This is in accordance with research conducted by Greenberg & Hershfield (2019) which says that individuals with good financial behavior will also have the ability to make good financial decisions, one of which is aware of the importance of making a budget. Students are considered to manage their finances well if they have sufficient financial knowledge, so that there is a relationship between financial literacy and financial behavior (Trunk & Dermol 2015). Hence, when students are aware of and knowledgeable about finances, they may make wise financial judgments. This can be seen in the potential of students in managing their personal finances such as having investments and insurance. This study supports other studies that show how financial literacy affects students' financial behavior (Akca et al., 2018; Arofah et al., 2018; Te'eni Harari, 2016; Voda & Florea, 2019). This finding is also in line with the findings of Çera et al. (2021) who said individual financial knowledge is an important component in making decisions in financial matters, so that there is a strong relationship between financial knowledge and financial practice. However, research conducted by Kaiser & Menkhoff (2017) says something different, namely financial literacy does not affect financial behavior in micro-entrepreneurs, especially for those with low incomes.

Regarding entrepreneurship, data shows that financial behavior has a significant relationship to entrepreneurial motivation in [accounting students who are the sample of this study](#) in West Java. This is consistent with previous findings which state that students with good financial behavior in managing their personal finances will also have high motivation to become entrepreneurs (Jappelli & Padula, 2013; Ahmad et al., 2021). To sustain their business in the future when they become entrepreneurs, students must be prepared with financial knowledge and entrepreneurial abilities (Suparno & Saptono, 2018). Entrepreneurs are described as individuals who create businesses, use assets, take business risks and are active in making business decisions (Voda & Florea, 2019). To achieve business success, entrepreneurs must also be equipped with good financial management skills (Ahmad et al., 2021). Data shows that the highest motivation for entrepreneurship is in terms of the habit of budgeting and planning financial resources to run a business, how the company's financial resources will be managed, allocated, and utilized to achieve its goals and objectives. This means that students have good financial behavior according to research conducted by Greenberg & Hershfield (2019) which says that those who have good financial behavior will budget well. These findings align with earlier studies which explains that students who have good financial management skills will be successful in making decisions regarding budgeting and allocating resources in implementing business strategies (Conneely, 2010; Çera et al., 2021). This shows that financial behavior and entrepreneurial motivation are strongly correlated.

Furthermore, financial literacy has a significant relationship with entrepreneurial motivation among [accounting students who are the sample of this study](#) which is mediated by financial behavior. Because financial literacy must be translated into financial-related actions to be significantly connected to entrepreneurial aspirations, there is a partial association between entrepreneurial motivation and financial literacy (Ahmad et al., 2021; Solesvik, 2013). Studying financial topics can improve financial attitudes and behavior (Cera et al., 2021) which in turn can create entrepreneurial motivation, so that financial behavior acts as a mediation between financial literacy and entrepreneurial motivation. The findings of this study show that among accounting graduates, financial literacy and entrepreneurial motivation are significantly correlated. Previous research has shown that students with high levels of financial literacy had more entrepreneurial desire than students with low levels of financial literacy, which is consistent with the present conclusion (Valencia et al., 2015). Students with high literacy levels have good financial knowledge and can take effective actions in starting their business. The same thing was stated by Alshebami & Marri (2022), namely that students who have good financial knowledge will have supportive financial behavior to start a business. A crucial managerial skill for entrepreneurs in deciding the success of their businesses is financial literacy. The competence of the business owner to manage finances determines the profitability of a company. In this case, entrepreneurs certainly have good knowledge of finance first and then carry out financial management to achieve business success (Akca et al., 2018; Jappelli & Padula, 2013). This is consistent with previous findings which state that students with good financial knowledge will tend to have good business motivation through behaviors or attitudes that support this knowledge (Suparno & Saptono, 2018; Israr & Saleem, 2018).

6. Conclusion, implication, limitation, and recommendations for future research

[Accounting students who are the sample of this study](#) in West Java, Indonesia have a fairly good average level of financial literacy where they understand the importance of investment. The data shows that students have an awareness of the importance of making an investment and they can make a financial budget for their financial life quite well. [Accounting students who are the sample of this study](#) in West Java, Indonesia also have a fairly high average level of financial behavior where they are aware of the importance of making a budget for their finances, this implies that they have an understanding of finances and they control expenses so they can avoid excessive spending. With a fairly good level of financial literacy and level of financial behavior, students must have high entrepreneurial motivation.

From the results of this study, it can be concluded that financial literacy has a significant relationship with financial behavior, financial behavior has a significant relationship with entrepreneurial motivation, and finally financial literacy has a significant relationship with entrepreneurial motivation through financial behavior. These results are supported by previous research which concluded that financial literacy and financial behavior have a significant relationship to entrepreneurial motivation.

Based on the findings of this study, there are several suggested implications. Young entrepreneurs must develop their financial skills to succeed in company in Indonesia since financial literacy is a crucial component of entrepreneurship among young entrepreneurs and has a significant impact on good financial behavior. Therefore, education in finance and entrepreneurship should be noted in academic institutions. Universities should provide a range of finance courses, seminars, and training sessions that are centered on developing financial management skills and disseminating sound financial advice. Through financial education courses or seminars on financial topics, students of all ages, educational backgrounds, and majors can improve their financial understanding. The data shows that although [accounting students who are the sample of this study](#) have attended several entrepreneurship courses, this experience does not make a significant contribution to entrepreneurial motivation. Universities must therefore update their course offerings to encourage students to start their own businesses. To increase students' entrepreneurial motivation, higher education institutions should design more integrated educational curricula and policymakers should provide efficient policy procedures.

In addition, entrepreneurship education in Indonesia must involve the latest materials that are relevant to the fourth industrial era. This will equip students with superior entrepreneurial knowledge and entrepreneurial mindset. In addition, the entrepreneurship model must use life-based learning, such as inviting entrepreneurs' success stories or company visits, which will improve students' entrepreneurial mindset and intention to become entrepreneurs. Schools also need to bring in successful entrepreneurs to share experiences, from starting up to developing their businesses. For the government and stakeholders, it is necessary to become a mediator for schools in collaboration with the business world and the industrial world. This is an effective way to control and contribute to the birth of new entrepreneurs.

This study has limitations, including the fact that the sample used was limited to university students. Future studies are anticipated to use a wider sample from all Indonesian colleges with accounting departments. Moreover, there were no comparisons between accounting and non-accounting students in this study. Future studies could evaluate financial literacy, financial behavior, and entrepreneurial motivation among accounting students and non-accounting students by including non-accounting students. In addition, subsequent research can use qualitative research design or a mixture of qualitative and quantitative to produce more detailed and complete findings.

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The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation – Evidence from Indonesia

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Comments of reviewer 1	Author Amendment
<p>ABSTRACT:</p> <p>Regarding the purposive sampling – I am not against that, but I asked to carefully interpret the results. Your findings cannot be generalised to the whole population, but only for the sample. This is crucial in understanding sampling designs and the power to generalise findings. Solution – interpret the results only for sample, not for the whole population of your study. For instance, you can say that “It was found that RESPONDENTS’ attitude causes XYZ.” In this sentence, the finding is referring to the respondents only, not to the students. Please adopt this logic to the whole manuscript.</p>	<p>The author has adopt the logic to the whole manuscript. The author has added “accounting students who are the sample of this study” to the whole manuscript.</p>
<p>INTRODUCTION:</p> <p>It is improved. However, when justifying the theoretical contribution, is it better justifying by citing some authors that raises the need for such studies. What is new in you research? Reviewing these studies will help you in this regard</p> <ul style="list-style-type: none"> • Li, R. and Qian, Y. (2020), "Entrepreneurial participation and performance: the role of financial literacy", Management Decision, Vol. 58 No. 3, pp. 583-599. https://doi.org/10.1108/MD-11-2018-1283 • Lladós-Masllorens, J. and Ruiz-Dotras, E. (2022), "Are women's entrepreneurial intentions and motivations influenced by financial skills?", International Journal of Gender and Entrepreneurship, Vol. 14 No. 1, 	<p>According to Mauch and Park (2003:12) in their book entitled Guide to the successful thesis and dissertation, it is said that originality does not mean that the research question or hypothesis is completely new, so replication of previous research can also be said to meet the criteria for originality. Departing from these references, the novelty in this research lies in the mediating effect of Financial Behavior on Financial Literacy on Entrepreneurship Motivation which has not been tested in previous research, also this research uses a different data processing method from previous research.</p> <p>The author has added what is new in this study and has used the references suggested by the reviewer.</p> <p>The additions that have been added by the author are as follows:</p> <p style="color: purple;">Apart from that, there is research that states that gender influences financial literacy where men have greater financial capabilities than women and women are more likely to be consumptive than men, so there is a significant</p>

<p>pp. 69-94.</p> <ul style="list-style-type: none"> Alshebami AS and Al Marri SH (2022) The Impact of Financial Literacy on Entrepreneurial Intention: The Mediating Role of Saving Behavior. <i>Front. Psychol.</i> 13:911605. doi: 10.3389/fpsyg.2022.911605 Upa, V. A., Santoso, W., & Soeindra, V. (2019, March). Financial Literacy and Entrepreneurship Motivation Among Micro, Small, and Medium Enterprises From Gender Perspective. In <i>ICEMSS 2018: Proceedings of the 1st International Conference on Emerging Media, and Social Science, ICEMSS 2018, 7-8 December 2018, Banyuwangi, Indonesia</i> (p. 92). European Alliance for Innovation. Aldi, B. E., Herdjiono, I., & Maulany, G. (2019, August). The influence of financial literacy on entrepreneurial intention. In <i>3rd International Conference on Accounting, Management and Economics 2018 (ICAME 2018)</i> (pp. 700-703). Atlantis Press. https://doi.org/10.2991/icame-18.2019.74 Dwiastanti, A., Wahjoedi, Murwani, F. D., and Utomo, S. H. (2020). Financial Literacy and Entrepreneurial Motivation in Supporting Economic Activity and Business Sustainability of Informal Sector Entrepreneurs. <i>International Journal on Emerging Technologies</i>, 11(2): 501–509 	<p>difference in financial literacy between men and women (Llados-Maslorens and Ruiz-Dotras, 2022; Upa et al., 2019). These gender differences will also appear in entrepreneurial motivation, so there must be differences in providing financial literacy education for men and women. Those who do not have entrepreneurial motivation will face obstacles in maintaining and developing their business, so entrepreneurial motivation is an important thing that must be increased even though people are financially literate (Upa et al., 2019).</p> <p>Even though financial behavior and financial literacy are important components in running a business, there are still many entrepreneurs who cannot run a business well in Indonesia (Prasetyo, 2020; Napitupulu, 2021). This was recorded in the news on CNBC Indonesia (Bestari, 2022), namely that many start-up companies failed in Indonesia which was caused by several factors related to financial literacy and poor financial behavior. One example of business failure is caused by lack of funds, this means that people who have entrepreneurial abilities may not have the knowledge to obtain funding while starting the business (Li & Qian, 2020). Therefore, this research examines the level of financial literacy and level of financial behavior in accounting students who are the sample of this study in West Java, Indonesia and also re-examines the relationship between financial literacy, financial behavior and entrepreneurial motivation in entrepreneurs, who in this context are accounting students in West Java, Indonesia. Indonesia is a developing country that strongly encourages entrepreneurship programs to support economic development, however most of the research in the field of entrepreneurial intentions that explores factors such as education, psychological factors and financial literacy has not been researched adequately (Aldi et al., 2019). To the best of the researcher's knowledge, although there is some literature that discusses this matter, it is believed that there is still a scarcity of research in this field (Alshebami & Al Marri, 2022) and there has been no research that directly links these three variables in one study and was conducted in Indonesia, especially on the island of Java. According to Mauch and Park (2003:12) in their book entitled "Guide to the successful thesis and dissertation", it is said that originality does not mean that the research question or hypothesis is completely new, so replication of previous research can also be said to meet the criteria for originality. Departing from these references, the novelty in this research lies in the mediating effect of Financial Behavior on Financial Literacy on Entrepreneurship Motivation which has not been tested in previous research, also this research uses a different data processing method from previous research.</p>
<p>Literature review</p> <p>It is not only planned behavior theory that contributes here. I expect you to acknowledge the capability theory, which is a theoretical framework that focuses on the quality of life that individuals are actually able to achieve, recognizing the diversity of people's ability to convert resources and goods into real opportunities and achievements. Please find way to incorporate that into your paper so you can give a sound reasoning for the connection between financial literacy/behavior and entrepreneurial motivation.</p> <p>I did not find these papers cited in the manuscript. Why so? They would bring additional justification to your research, particularly regarding capability theory.</p> <ul style="list-style-type: none"> Financial Capability as a Function of Financial Literacy, Financial Advice, and 	<p>The author has added a theory about capability theory by citing several papers that the reviewer suggested. The additions that have been added by the author are as follows:</p> <p>This research also uses capability theory (Sen, 1993) where capability requires the freedom that individuals have to live their lives and get the opportunities they want (Cera et al., 2020). This also refers to the concept that individuals who have certain abilities can shape and influence their level of motivation, in this case individuals who have financial abilities will influence their motivation for entrepreneurship. The financial capabilities possessed by individuals come from the knowledge they obtain either from their family environment or from their school education environment. These financial abilities include financial literacy and financial behavior which will ultimately increase their motivation to create a business (Khan et al, 2022). Capability theory emphasizes the importance of developing individual abilities. When someone feels capable of mastering the skills and knowledge necessary for entrepreneurship, they tend to be more motivated to start their own business, this is because they feel they have sufficient foundation to succeed. Apart from individuals having reliable financial capabilities, it should be noted that there are external factors that need to support this, one of which is access to finance to start a new business (Çera et al., 2020).</p>

<p>Financial Satisfaction. https://doi.org/10.15240/tul/001/2022-1-009</p> <ul style="list-style-type: none"> • The Role of Financial Capability and Culture in Financial Satisfaction. Economic Papers. 39, 1-18. https://doi.org/10.1111/1759-3441.12299 • Financial Capability and Technology Implications for Online Shopping. https://doi.org/10.15240/tul/001/2020-2-011 • Does gender matter in financial literacy? A case study of young people in Tirana. Scientific Papers of the University of Pardubice, Series D 	
<p>Figures and Tables</p> <p>Is there any chance to add one column in Table 1 for the distribution (percentage) of the whole population? Having those figures, one can say that the sample is too bias. For instance, is the percentage of female in the whole population close to 77%, which is the % of the sample? If not, that is why you should carefully interpret the results from your sample. I mentioned this concern when I commented the abstract. Please reflect.</p>	<p>The author has revised this. The additions that have been added by the author are as follows:</p> <p>Based on the results of distribution and collection of questionnaires, it can be seen the demographic profile of respondents among accounting students in West Java, Indonesia, which describes the characteristics of respondents regarding gender, age, and whether the respondent has received courses regarding financial knowledge and entrepreneurship. In Table 1 below you can see the characteristics and distribution of respondent profiles. The proportion of male respondents is less than female. Furthermore, regarding age characteristics, it can be seen that the majority of respondents are in the age range of 21 to 25 years, this is in line with the researchers' expectations in obtaining information because students at this age are final year students have a high level of financial literacy and understanding in the fields of finance and business, also students in this age range are considered a potential entrepreneurial candidate. Furthermore, in relation to courses on financial knowledge and entrepreneurship, it can be seen in Table 1 that the majority of respondents had attended a course on finance and had attended an entrepreneurship course.</p>

	<p>Table 1. The demographic profile of respondents</p> <table border="1"> <thead> <tr> <th>Variable</th> <th>Frequency (n)</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Gender</td> </tr> <tr> <td>Male</td> <td>59</td> <td>23</td> </tr> <tr> <td>Female</td> <td>193</td> <td>77</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Age</th> <th>Frequency (n)</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>16 - 20 years old</td> <td>74</td> <td>29</td> </tr> <tr> <td>21 - 25 years old</td> <td>156</td> <td>62</td> </tr> <tr> <td>26 - 30 years old</td> <td>15</td> <td>6</td> </tr> <tr> <td>> 30 years old</td> <td>7</td> <td>3</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Attended Financial Course</th> <th>Frequency (n)</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>231</td> <td>92</td> </tr> <tr> <td>No</td> <td>21</td> <td>8</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Attended Entrepreneurship Course</th> <th>Frequency (n)</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>231</td> <td>92</td> </tr> <tr> <td>No</td> <td>21</td> <td>8</td> </tr> </tbody> </table>	Variable	Frequency (n)	Percentage (%)	Gender			Male	59	23	Female	193	77	Age	Frequency (n)	Percentage (%)	16 - 20 years old	74	29	21 - 25 years old	156	62	26 - 30 years old	15	6	> 30 years old	7	3	Attended Financial Course	Frequency (n)	Percentage (%)	Yes	231	92	No	21	8	Attended Entrepreneurship Course	Frequency (n)	Percentage (%)	Yes	231	92	No	21	8
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<p>Results / Data Analysis</p> <p>Still, the mediating effect is not interpreted correctly. Please carefully read the chapter on “mediating” in the book of Hair, J.F., Sarstedt, M., Ringle, C.M., Gudergan, S.S., 2017. Advanced issues in partial least squares structural equation modeling. SAGE, Los Angeles. distribution of the students, particularly by gender. If the share of female students is around 70%, then it can be used as a justification that your sample correspond to the actual distribution of students by gender.</p>	<p>The author has revised this. The additions that have been added by the author are as follows:</p> <p>The Influence of Financial Literacy on Entrepreneurship Motivation Mediated by Financial Behavior</p> <p>The fourth hypothesis to be tested is the influence of financial literacy (FL) on entrepreneurship motivation (EM) mediated by financial behavior (FB). Table 7 demonstrates that the path coefficient of financial literacy mediated by financial behavior towards entrepreneurship motivation has a positive sign with $t_{statistic}$ value of 6.952. The indirect effect of financial literacy on entrepreneurship motivation via financial behavior is 0.292 which is obtained from multiplying the financial literacy path coefficients on entrepreneurship motivation and financial behavior. Based on the calculation results presented in table 7, it can be seen that the p-value is 0.00 because the p-value is smaller than 0.05, so there is an indirect influence from financial literacy to entrepreneurship motivation via financial behavior. This means that the higher the financial literacy, the better the financial behavior and if the financial behavior is good, the entrepreneurship motivation will be better. It can be concluded that financial literacy mediated by financial behavior has a positive effect on entrepreneurship motivation. The results of this study provide empirical evidence that good financial literacy will improve financial behavior and finally increase entrepreneurship motivation among university accounting students who are the sample of this study across Java.</p>																																													
<p>References</p> <p>To include additional sources, in particular those listed above.</p>	<p>The author has added the paper used in this study to the references.</p>																																													

Comments of reviewer 2	Author Amendment
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INTRODUCTION

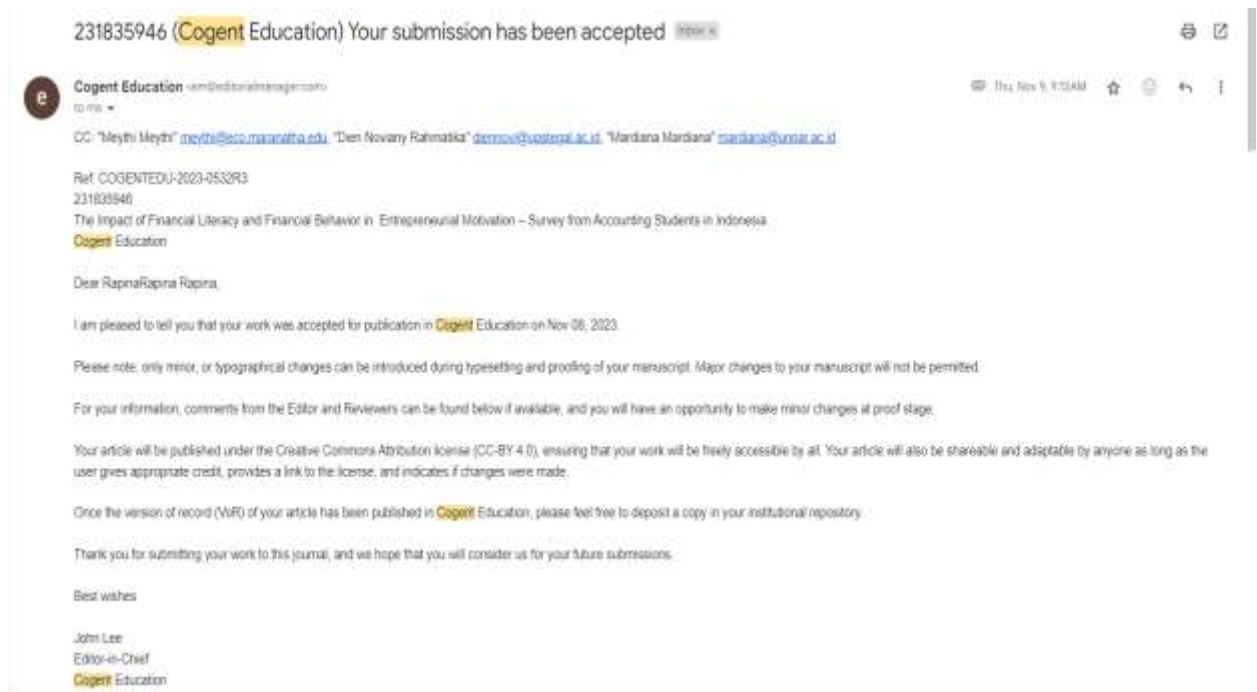
This section has complete components starting from the background of the problem, research context in Indonesia, novelty, and objectives. This section has also conveyed the importance of this research in developing entrepreneurship education using financial literacy and financial behavior as determinants. Apart from that, the author has also added two paragraphs according to the reviewer's suggestions. However, the authors need to check the language of the two additional new paragraphs. Overall, this section meets the requirements for publication.

The author has revised the language of the additional new paragraphs. The revision that have been added by the author are as follows:

In this study, the concept of financial literacy is broken down into three distinct dimensions: financial knowledge, financial attitude, and financial behavior. However, for the purposes of this research, only two of these dimensions, namely financial knowledge (referred to as financial literacy) and financial behavior, were examined. This decision was made based on the understanding that attitudes and behaviors in the realm of finance are intricately interconnected (Çera et al., 2021). Therefore, the researchers chose to amalgamate these dimensions into a single variable, which is referred to as financial behavior.

THANK YOU

7. Bukti konfirmasi artikel accepted (31 Okt 2023)



Comments from the Editors and Reviewers:

Title, Abstract and Introduction – overall evaluation

Reviewer 1: Sound

Methodology / Materials and Methods – overall evaluation

Reviewer 1: Sound

Objective / Hypothesis – overall evaluation

Reviewer 1: Sound

Figures and Tables – overall evaluation

Reviewer 1: Sound

Results / Data Analysis – overall evaluation

Reviewer 1: Sound

Interpretation / Discussion – overall evaluation

Reviewer 1: Sound

Conclusions – overall evaluation

Reviewer 1: Sound

References – overall evaluation

Reviewer 1: Sound

Compliance with Ethical Standards – overall evaluation
Reviewer 1: Sound

Writing – overall evaluation
Reviewer 1: Sound

Supplemental Information and Data – overall evaluation
Reviewer 1: Not applicable

Comments to the author
Reviewer 1: The paper is improved

Title, Abstract and Introduction – overall evaluation
Reviewer 2: Outstanding

Methodology / Materials and Methods – overall evaluation
Reviewer 2: Sound

Objective / Hypothesis – overall evaluation
Reviewer 2: Outstanding

Figures and Tables – overall evaluation
Reviewer 2: Sound

Results / Data Analysis – overall evaluation
Reviewer 2: Sound

Interpretation / Discussion – overall evaluation
Reviewer 2: Sound

Conclusions – overall evaluation
Reviewer 2: Sound

References – overall evaluation
Reviewer 2: Outstanding

Compliance with Ethical Standards – overall evaluation
Reviewer 2: Sound

Writing – overall evaluation
Reviewer 2: Sound

Supplemental Information and Data – overall evaluation
Reviewer 2: Sound

Comments to the author
Reviewer 2: The Impact of Financial Literacy and Financial Behavior in Entrepreneurial
Motivation-Evidence from Indonesia

Abstract

The author has revised this section well, adding several important sentences so that the abstract can better describe this article. Overall, this section meets the requirements to be published.

Introduction

The author has added novelty, so this section contains the background, gap phenomena, theoretical gap, and the problems that will be studied.

Literature Review

The author has added a more complete theoretical study, so that this section not only contains supporting theories to generate hypotheses but also includes the appropriate grand theory.

Research Methods

The author has carried out validity and reliability tests well as an indication that the instrument used meets the requirements for collecting data. The author has also explained data analysis better.

Results

The results of descriptive analysis and parametric analysis have been carried out in depth. Apart from that, the author has made improvements and added sentences that strengthen the argument. Apart from that, the author has used more literature reviews to discuss each hypothesis.


Conclusion

The author has provided a more representative conclusion. The author has revised this section by adding several sentences about descriptive analysis. Therefore, this section is better compared to the previous version

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8. Bukti konfirmasi artikel published setelah pelunasan invoice (10 Nov 2023)

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<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 10%;">ORDER REF.</th> <th style="width: 5%;">QTY</th> <th style="width: 10%;">ISBN/ISSN</th> <th style="width: 35%;">TITLE</th> <th style="width: 10%;">UNIT PRICE USD</th> <th style="width: 5%;">DISC</th> <th style="width: 10%;">NET VALUE USD</th> <th style="width: 5%;">VAT</th> <th style="width: 5%;">VAT %</th> </tr> </thead> <tbody> <tr> <td>T&F iOpen Access Fee</td> <td>1</td> <td>2331-186X</td> <td>Cogent Education Online The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation # Evidence from Indonesia</td> <td>1,590.00</td> <td>0.00%</td> <td>1,590.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td colspan="4" style="text-align: right;">REMARKS: TOTAL</td> <td>1,590.00</td> <td>0.00</td> <td>1,590.00</td> <td></td> <td></td> </tr> <tr> <td colspan="6"></td> <td>TOTAL USD</td> <td colspan="2">1,590.00</td> </tr> <tr> <td colspan="6"></td> <td>AMOUNT DUE USD</td> <td colspan="2">1,590.00</td> </tr> </tbody> </table>										ORDER REF.	QTY	ISBN/ISSN	TITLE	UNIT PRICE USD	DISC	NET VALUE USD	VAT	VAT %	T&F iOpen Access Fee	1	2331-186X	Cogent Education Online The Impact of Financial Literacy and Financial Behavior in Entrepreneurial Motivation # Evidence from Indonesia	1,590.00	0.00%	1,590.00	0.00	0.00	REMARKS: TOTAL				1,590.00	0.00	1,590.00									TOTAL USD	1,590.00								AMOUNT DUE USD	1,590.00	
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EDUCATIONAL LEADERSHIP & MANAGEMENT

The impact of financial literacy and financial behavior in entrepreneurial motivation – evidence from Indonesia

Rapina Rapina, Meythi Meythi, Dien N. Rahmatika & Mardiana Mardiana

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